



**2016**

## **Corporate Governance and Ownership Report**

pursuant to art. 123 bis of Legislative Decree No. 58 of 24 February 1998  
(traditional administration and control model)

Issuer: Autogrill S.p.A.

Website: [www.autogrill.com](http://www.autogrill.com)

Year referred to in Report: 2016

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# CORPORATE GOVERNANCE AND OWNERSHIP REPORT

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## GLOSSARY

**Auditor(s):** individually or collectively, as applicable, the members of the Board of Statutory Auditors.

**Autogrill:** Autogrill S.p.A.

**Autogrill Code:** the self-regulatory code adopted by the Board of Directors based on a proposal of the Control, Risk and Corporate Governance Committee, as most recently amended on 20 December 2016.

**Autogrill Group** or **Group:** collectively Autogrill and its subsidiaries.

**Board of Directors:** Autogrill's Board of Directors.

**Board of Statutory Auditors:** Autogrill's Board of Statutory Auditors.

**Borsa Italiana:** "Borsa Italiana S.p.A.", the Italian stock exchange.

**Bylaws:** Autogrill's by-laws as approved on 24 April 2007 and subsequently amended and updated, most recently with the resolution of the Board of Directors of 12 May 2016.

**Chief Executive Officer and/or Group's CEO:** the Managing Director/Chief Executive Officer of Autogrill.

**Chief Internal Audit Executive:** the person in charge with Autogrill's internal audit function, appointed pursuant to the application criterion 7.C.5. of the Self-Regulatory Code.

**Civ. Code** or **C.C.:** Italian Civil Code.

**Code of Ethics:** the Code of Ethics adopted by Autogrill and Group companies since 2002, as replaced by the new version approved by the Board of Directors in the meeting held on 14 April 2016 and later approved by the boards of directors of its subsidiaries.

**Committees:** collectively, the committees created within the Board of Directors.

**Company** or **Group parent company** or **Issuer:** Autogrill.

**CONSOB:** *Commissione Nazionale per le Società e la Borsa* [equivalent to the SEC].

**Control, Risk and Corporate Governance Committee:** Autogrill's control, risk and corporate governance committee created within the

Board of Directors pursuant to Principle 7.P.4. of the Self-Regulatory Code.

**Control and Risk Management System:** Autogrill's internal control and risk management system.

**Control and Risk Management System Director:** director designated as responsible for the Risk and Control System, appointed by Autogrill pursuant to Principle 7.P.3.a)(i) of the Self-Regulatory Code.

**Demerger:** the partial proportional demerger of Autogrill implemented, pursuant to the demerger project approved by the Shareholders' Meeting and by World Duty Free S.p.A.'s Extraordinary Meeting on 6 June 2013 through the assignment to WDF of the portion of Autogrill's equity regarding the activities indirectly conducted by Autogrill in the *Travel Retail & Duty Free* sector, effective from 1 October 2013.

**Director(s):** individually or collectively, depending on the case, the members of the Board of Directors.

**Financial Reporting Manager:** the person charged with preparing the Company's accounting documents, appointed by the Board of Directors as required by art. 154-*bis* of TUF and by art. 18 of the Bylaws.

**Human Resources Committee:** committee for human resources set up within the Board of Directors pursuant to Principle 6.P.3. of the Self-Regulatory Code.

**Independent Auditors:** external company, whose task is to audit Autogrill's accounts.

**Investor Protection Law:** Law no. 262 of 28 December 2005 ("Provisions for the protection of investors and the control of financial markets").

**Internal Dealing Procedure:** the internal dealing procedure adopted by the Board of Directors in its meeting held on 30 June 2016, in conformity with art. 19 of MAR and art. 114 of TUF and in compliance with articles 152-*sexies* through 152-*octies* of the Issuers' Regulations.

**Issuers' Regulations:** rules for issuers promulgated by CONSOB under resolution 11971 of 14 May 1999 (as subsequently amended).

**Law No. 262 Model:** the administrative & accounting compliance model envisaged by the Investor Protection Law.

**Legislative Decree (L.D.) 231/2001:** Legislative Decree No. 231 of 8 June 2001, as subsequently amended (“Regulation of the administrative responsibility of legal persons, companies and associations even not having a legal status, pursuant to art. 11 of Law No. 300 of 29 September 2000”).

**List A:** the list of 13 candidates presented by the majority shareholder of Autogrill, Schematrentaquattro S.p.A., for the appointment of the new members of the Board of Directors, as decided by the Shareholders’ Meeting on 28 May 2014.

**List B:** the list of 2 candidates presented by 14 shareholders–investment fund administrators for the appointment of the new members of the Board of Directors, as decided by the Shareholders’ Meeting on 28 May 2014.

**MAR or Market Abuse Regulation:** the (EU) Regulation No. 596/2014 of the European Parliament and the Council of 16 April 2014 on market abuse.

**Meeting Regulations:** the rules to be followed by Autogrill for its meetings, approved by the Meeting and most recently amended through the resolution of 21 April 2011.

**Meeting or Shareholders’ Meeting:** the meeting of Autogrill shareholders.

**Model:** the organisation, management and control model required by Legislative Decree No. 231/2001, adopted by the Board of Directors on 6 November 2002, as subsequently amended and supplemented, most recently on 12 May 2016.

**MTA:** the online stock market organized and managed by Borsa Italiana.

**Privileged Information Procedure:** the procedure for the disclosure of privileged information to the market adopted by the Board of Directors in its meeting held on 30 June 2016, in conformity with Chapter 2 and Chapter 3 of MAR, and Part IV, Title III, Chapter I of TUF, as well as in compliance with Part III, Title II, Chapter I and Chapter II, Section I and Part III, Title VII, Chapter I of the Issuers’ Regulations.

**Related-Party Transaction Committee or RPT Committee:** committee for transactions between related parties set up within the Board of Directors pursuant to the Related-Party Transaction Regulations.

**Related-Party Transaction Regulations:** the regulations on related party transactions issued by CONSOB under resolution 17221 of 12 March 2010 (as subsequently amended).

**Remuneration Report:** report on remuneration prepared pursuant to art. 123-*ter* of TUF and art. 84-*quater* of the Issuers' Regulations and in compliance with Schedule No. 7-*bis* of Annex 3A to the same Issuers' Regulations.

**Report:** this report on corporate governance and ownership structures, drafted pursuant to art. 123-*bis* of TUF.

**RPT Procedure:** the Related-Party Transaction Procedure approved by the Board of Directors pursuant to the Related-Party Regulations, as most recently amended on 13 May 2014.

**Self-regulatory Code** or **Code:** the self-regulatory code for listed companies approved by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria. This Code is available for the public in the website of Borsa Italiana ([www.borsaitaliana.it](http://www.borsaitaliana.it)), as most recently amended in July 2015.

**Shareholders:** Autogrill's Shareholders.

**Stock Option Plan** or **Plan:** the stock option plan approved and subsequently amended by the Shareholders' Meeting through decisions taken on 20 April 2010 and 6 June 2013, respectively.

**Strategy and Investment Committee:** committee for strategies and investments set up within the Board of Directors.

**Subsidiaries:** entities under the direct or indirect control of Autogrill pursuant to art. 2359 C.C. and art. 93 of TUF.

**Supervisory Body:** body in charge of control over the operation of and compliance with the Model, set up by Autogrill's Board of Directors pursuant to Legislative Decree No. 231/2001.

**Sustainability Report** or **Report:** the report on the activities and projects carried out by the Group during the year and aimed at sustainable development. The Sustainability Report is drawn up applying the "Sustainability Reporting Standards" defined in 2016 by the GRI-*Global Reporting Initiative*, according to the "In accordance"-Core option.

**TUF (Testo Unico della Finanza):** Legislative Decree No. 58 of 24 February 1998 ("Consolidated Finance Act"), as subsequently amended.

**Year or Business Year:** the financial year 2016 referred to in this Report.



## 1. PROFILE OF ISSUER

### Introduction

*Autogrill Group  
and its Mission*

Autogrill S.p.A. ("**Autogrill**" or the "**Company**") is the parent of a complex international group operating across 4 continents and with about 57,000 collaborators (the "**Group**" or "**Autogrill Group**"). Autogrill Group is the first global leader in the travel catering licence services, with sales channels mainly in airports, motorways and railway stations.

Its corporate mission is to offer quality restaurant services to people on the move and develop a diversified product offer locally, combining local identities and national or international brands, showing due respect for cultural diversity and the natural environment.

### Business Purpose

*Bylaws*

Pursuant to art. 2 of Autogrill's Bylaws (the "**Bylaws**"), as recently updated by the resolution of the Board of Directors on 12 May 2016, the business purpose of the Company is:

- a) to manage, including indirectly through associated entities, both in Italy and abroad, bakeries, bars, restaurants, fast foods, hotels, motels, fuel distribution and connected services, markets, including shops and points of sale, also in airport duty-free and duty-paid shops, as well as commercial business activities of all kinds and for all the product categories permitted by the legislation, including, but not limited to, the offer to the public and the retail sale of food and beverages, confectionery, perfumes, publications, and other consumer goods and monopoly goods, both taxed and non-taxed;
- b) to technically, commercially and administratively support and coordinate, with or without leasing of goods and equipment, its associated companies or entities.

For the purpose of achieving its business purpose, the Company may, not prevalently and only occasionally and for a specific purpose, and not for the public, perform all the industrial, commercial, financial, security and property transactions, give endorsements, caution money and any other guarantee in general with the purpose of guaranteeing its own or any third party securities, as well as undertake, only for

stable investment purposes, both directly and indirectly, shares in other companies, entities or consortia, sign and execute partnership agreements as either the associating or the associated party, sublicense the management of its business or a part thereof to third parties, undertake the management of third party companies or parts thereof.

### Governance Model

#### *Corporate Bodies*

The corporate organization and layout of Autogrill is of a traditional type, therefore its governance model is characterized by the following boards:

- i. Shareholders' Meeting;
- ii. Board of Directors, who elect a Chairperson and a CEO;
- iii. Board of Statutory Auditors.

Alongside the above-listed corporate bodies are:

#### *Committees and Functions*

- the Financial Reporting Manager, appointed pursuant to art. 154-*bis* of TUF and art. 18 of the Bylaws (the "**Financial Reporting Manager**");
- the **Control, Risk and Corporate Governance Committee** created within the Board of Directors pursuant to Principle 7.P.4. of the Self-Regulatory Code;
- the **Human Resources Committee** (also, briefly, the "**HR Committee**"), set up within the Board of Directors pursuant to Principle 6.P.3. of the Self-Regulatory Code;
- the **Strategy and Investment Committee** (also, briefly, the "**SI Committee**"), set up within the Board of Directors with effect from 21 April 2011;
- the **Related-Party Transaction Committee** (also, briefly, the "**RPT Committee**"), set up within the Board of Directors pursuant to the legislation regarding transactions with related parties issued by CONSOB with Resolution no. 17221 of 12 March 2010, as subsequently amended (the "**Related Party Transaction Regulations**");
- the Director in charge with the internal control and risk management system (the "**Control and Risk Management System**"), appointed pursuant to Principle 7.P.3.a)(i) of the Self-

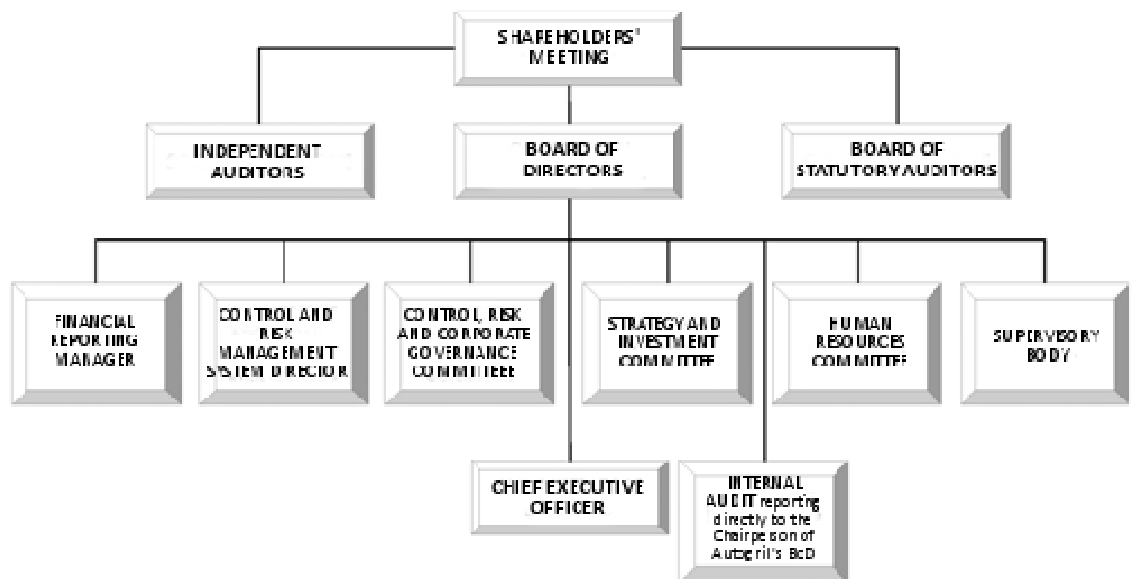
Regulatory Code (hereinafter, the “**Control and Risk Management System Director**”);

- the person in charge with the internal auditing function of Autogrill (the “**Chief Internal Audit Executive**”), originally appointed as Internal Control Manager and then confirmed as Chief Internal Audit Executive pursuant to the application criterion 7.C.5. of the Self-Regulatory Code; and
- the **Supervisory Body**, set up by the Board of Directors pursuant to Leg. Dec. no. 231 of 8 June 2001, as subsequently amended (“**L.D. 231/2001**”).

Statutory Auditing

The statutory auditing of Autogrill’s accounts is carried out by Deloitte & Touche S.p.A.

Autogrill’s corporate layout is illustrated in the organizational chart provided below:



### Operational Organization

Autogrill Group’s operational organization reflects its multinational character.

Chief Executive Officer

Business Area Leaders and Staff Leaders, i.e. the people heading the Group's policymaking and control functions (Corporate Functions), report to the CEO of the Holding.

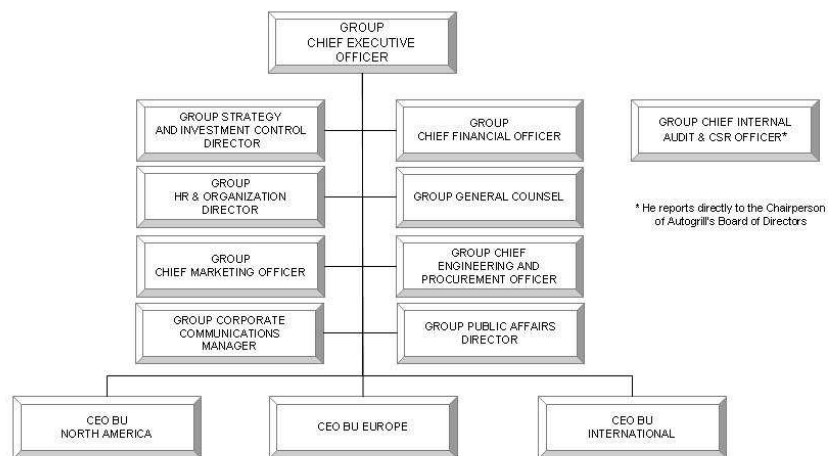
Responsibility for the Group's Business Areas

Responsibility for the Group's business areas can be summarized as follows:

1. *Food & Beverage North America*, operated through the HMSHost division (HMSHost Corporation and subsidiaries);
2. *Food & Beverage International*, specifically taking care of the *Food & Beverage Far East, Middle East and Northern Europe* (airports and railway stations);
3. *Food & Beverage Europe* - which also includes its predominating asset, the Italian business - operated by companies or company groups in each European country of presence.

Operational Organization

The Group's operational organization as at the date of this Report is illustrated in the chart below:



### Sustainability Report

Every year since 2005, Autogrill posts a Sustainability Report (hereinafter the "**Sustainability Report**") on its website ([www.autogrill.com](http://www.autogrill.com) - Sustainability Section).

The 2016 Sustainability Report is drawn up in compliance with the "Sustainability Reporting Standards" defined in 2016 by GRI-Global Reporting Initiative, according to the "In accordance"-Core option.

The Group is also a member of GRI Gold Community.

*Systematic Forms  
of Dialogue with  
the Stakeholders*

This Sustainability Report is a tool aimed at encouraging systematic forms of dialogue with the Company's stakeholders on objectives, performed activities and results achieved in the economic, social and environmental spheres, and at sharing and spreading a sustainability culture throughout the enterprise.

## 2. INFORMATION ON OWNERSHIP AS AT THE REPORT DATE

### a) Structure of the Share Capital

Ordinary Shares

As of the date of this Report, the amount of the fully paid-up share capital is Euro 68,688,000, consisting of 254,400,000 ordinary shares with no indication of their nominal value.

Categories of shares comprising the share capital:

STRUCTURE OF SHARE CAPITAL				
Category of shares	# shares	% of share capital	Stock exchange quotation	Rights and obligations
Ordinary shares	254,400,000	100%	Listed in the Online Stock Exchange managed by Borsa Italiana S.p.A.	As per law and Bylaws

All Autogrill's ordinary shares have the same unrestricted rights.

Other Financial Instruments

On 20 April 2010, the ordinary shareholders' meeting approved the stock option plan 2010 reserved to Autogrill's executive directors and employees holding strategic functions, pursuant to art. 114-bis, paragraph 1, of TUF. The plan approved in 2010 was later amended through the resolution approved by the shareholders' meeting of 6 June 2013, pursuant to art. 114-bis, paragraph 1, of TUF, in the framework of Autogrill's partial proportional demerger, which was implemented through the assignment of the activities indirectly conducted by Autogrill in the *Travel Retail & Duty Free* sector to World Duty Free S.p.A. from 1 October 2013 (the stock option plan 2010, as amended in 2013, the "**Stock Option Plan**" or the "**Plan**").

Each option allocated on an unpaid basis in the framework of the Stock Option Plan grants to the beneficiaries the right to subscribe for, or purchase, one share in Autogrill and one share in World Duty Free S.p.A.

The option maturity period ended on 20 April 2014. As of the date of this Report, 183,571 options out of the 753,010 options matured according to the Stock Option Plan regulations are still in circulation, and they can be exercised not later than 30 April 2018. They grant the right to subscribe for or purchase as many Autogrill shares at the price indicated in the Stock Option Plan regulations.

The terms and conditions of the Stock Option Plan, including the potential beneficiaries and the price to exercise matured options, are set forth in (i) an information document issued pursuant to art. 114-*bis*, TUF, and art. 84-*bis*, paragraph 1, of the Regulations adopted by CONSOB with Resolution no. 11971 of 14 May 1999, as subsequently amended (the "**Issuers' Regulations**"), and in compliance with Schedule 7, Annex 3A of said Issuers' Regulations published on 4 May 2013, as well as (ii) in the Remuneration Report prepared pursuant to art. 123-*ter*, TUF, and art. 84-*quater* of the Issuers' Regulations and in compliance with Schedule 7-*bis*, Annex 3A of the same Issuers' Regulations, approved on 9 March 2017 (the "**Remuneration Report**") and (iii) in the Company's draft financial statements for the year ended 31 December 2016, approved by the Board of Directors on 9 March 2017. The Information Document, the Remuneration Report and the 2016 draft financial statements are available at the Company's registered office and in the corporate website ([www.autogrill.com](http://www.autogrill.com) - *Governance* section, *Shareholders' Meeting*).

Details concerning the share incentive plans are given on page 16 and following of the Remuneration Report and on page 73 of the financial statements.

#### **b) Restrictions on Transfer of Securities**

There are no restrictions on transfer of securities nor limits on possession of them. There are no clauses requiring approval of access to share ownership.

#### **c) Significant Shareholdings**

Significant direct or indirect shareholdings in Autogrill's capital, as resulting from the disclosures received by the Company pursuant to art. 120 of TUF until the date of this Report, are detailed in Table 1 in the appendix.

**d) Securities conferring Special Rights**

No securities conferring special rights of control have been issued and there are no holders of special powers as defined in current law or the Bylaws.

**e) Employee Stock Ownership Plans: Mechanism for exercising Voting Rights**

No employee stock ownership plans are currently envisaged. There are no mechanisms excluding or limiting the exercise of voting rights regarding the participating interest allocated to the employees in the framework of previously adopted incentive schemes.

**f) Restrictions on Voting Rights**

There are no restrictions on shareholder's voting rights save for the terms and conditions disciplining exercise of the right to participate and vote in Shareholders' Meetings set forth in section 16 hereunder.

**g) Shareholder Agreements**

The Company has not been notified of any shareholder agreements as defined in art. 122 of TUF.

**h) Change of Control Clauses and Provisions in the Bylaws regarding Takeover Bids**

Commercial Contracts

*Sub-licensing  
Agreements for the  
Management of  
Catering Services*

As a sub-licensee, Autogrill has signed many sub-licensing agreements for the management of catering services in motorway service areas and, in some cases, in airports. Most of these agreements forbid changes in control ("entry of new controlling shareholders in the sub-licensee's ownership structure") without prior authorization of the sub-licensor.

Referring to the agreements for motorway service areas, however, the authorization can only be denied if the change in control affects the technical, management, commercial or economic provisions of the related agreements. On the other hand, as to airport agreements, the



authorization in case of changes in control is at sub-licensing body's discretion.

### Bank Loan Agreements

*Term Amortizing  
and Revolving  
Bank Loan  
Agreement (600  
million Euros)*

Autogrill is also party to a bank loan agreement consisting of an amortizing line of credit and a revolving line of credit for a maximum amount of euro 200 million and euro 400 million respectively, signed on 12 March 2015, which grants the bank, as is customary for this kind of agreements, the right to cancel the existing loan agreements, with the consequent obligation for the borrower to repay all the funds drawn down in advance in case of a change of control of the company. For the purposes of said agreement, the "change of control" would take place when one or more entities – other than reference Shareholders – acting individually or jointly, acquire the control of the Company pursuant to art. 2359, paragraph 1, points 1 and 2, of the Civil Code.

*Revolving Bank  
Loan Agreement  
(300 million USD)*

The revolving bank loan agreement for a current maximum amount of US\$ 300 million entered into in March 2013 by HMSHost Corporation, an entity headquartered in the United States and wholly owned by Autogrill, contains a similar control change clause, where a "change in control" occurs when one or multiple entities – other than reference Shareholders – take action individually or jointly, including with their subsidiaries or affiliates, to gain direct or indirect control of more than 50% of HMSHost Corporation shares with voting rights.

### Bonds

*HMSHost  
Corporation  
Bonds (500  
million USD and  
150 million USD)*

Starting from 22 April 2013, after agreements made with the borrowers, Autogrill is no longer the guarantor of its wholly owned subsidiary HMSHost Corporation's bonds resulting from bonded loans totalling US\$ 500 million as of 31 December 2016, of which US\$ 150 million due in 2017 and the remaining US\$ 350, due between 2020 and 2025. Consequently to any change in the control of HMSHost Corporation, these loans provide each bondholder with the right to obtain the early repayment of the bonds held. According to the rules of these bonded loans, a "change of control" occurs when one or more entities, other than reference Shareholders, take action individually or jointly, including with their subsidiaries or affiliates, to gain direct or indirect control of more than 50% of HMSHost Corporation shares with voting rights.

### *Provisions in the Bylaws regarding Takeover Bids*

Regarding the current provisions of law on takeover bids, the Bylaws do not provide for any departure from the passivity rule contained in TUF, nor expressly provide for the application of the neutralization rules contemplated therein<sup>1</sup>.

#### **i) Mandates to increase Share Capital and Authorizations to buy back Shares**

*Authorization to purchase treasury shares*

The ordinary shareholders' meeting, during its ordinary session of 26 May 2016, after revoking the unfulfilled portion of the previous authorization to buy and transfer its treasury shares, decided by the ordinary meeting on 28 May 2015 and without prejudice to the transactions carried out till that date, to authorize the purchase – also for the Plan and/or other share incentive plans – of up to 12,720,000 ordinary Autogrill shares with no nominal value, including the shares already owned by the Company at that date, in one or more times and at any moment. The treasury share purchase authorization is effective for a period of 18 months starting from 26 May 2016.

*Treasury Share Purchase Programme*

On 30 June 2016, in compliance with the authorization previously given by the shareholders' meeting of 26 May 2016, the Board of Directors adopted a programme to purchase maximum 12,720,000 treasury shares corresponding to 5% of the Company's share capital.

As at 31 December 2016, the Company owns a total of 365,212 treasury shares, corresponding approximately to 0.14% of the share capital, purchased under previous buy-back programmes.

#### **l) Direction and Co-ordination**

On 18 January 2007, the Board of Directors judged that the conditions requiring the Company to be directed and coordinated by its parent company, Schematrentaquattro S.r.l. (which, effective from 18 November 2013, was transformed into a joint-stock company under the name of Schematrentaquattro S.p.A.), do not apply pursuant to art. 2497-*bis*, C.C.

In particular, in the aforementioned Board meeting, the Board of Directors ascertained that there were no major indicators that provided evidence of direction or coordination activities, since

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<sup>1</sup> See art. 104, paragraphs 1, 1-*bis*, 2 and 3 of TUF.

Autogrill has extensive organizational and administrative autonomy and there are no instructions or directives by Schematrentaquattro S.p.A.

During the current year (2017), the Company started a process aimed at evaluating if the conditions that determined the resolution of 18 January 2007 still apply.

\* \* \*

*Reference to the  
Remuneration  
Report*

We finally highlight that:

- The information required by art. 123-bis, paragraph 1, letter i), TUF concerning the *"agreements between a company and its directors [...] that provide for indemnity in the event of resignation or dismissal without cause or if the employment relationship ceases following a takeover bid"*) is provided in the Remuneration Report available at the Company's registered office and in its website (*www.autogrill.com - Governance section*);
- The information required by art. 123-bis, paragraph 1, letter l), TUF concerning the *"rules applicable to the appointment and substitution of directors [...] and modifications to the by-laws if different from provisions of the law and regulations applicable on a supplementary basis"*) is provided in the section on the Board of Directors in this Report (paragraph 4.1).

Adoption of a  
Self-Regulatory  
Code, as amended  
in 2015

### 3. COMPLIANCE

Autogrill has constantly adopted the principles and recommendations of the Self-Regulatory Code, consistently updating its corporate governance and illustrating it in the annual Report on corporate governance and ownership structure.

In particular, during the Year, Autogrill has adopted the principles and application criteria that were most recently introduced in the Self-Regulatory Code, as amended on 10 July 2015<sup>2</sup>, available on the Corporate Governance Committee's website (<http://www.borsaitaliana.it/comitato-corporate-governance/codice/2015clean.pdf>).

Autogrill Code

In line with international corporate governance best practices, already in 2012, the Board of Directors, based on a proposal of the Control, Risk and Corporate Governance Committee, approved a specific Self-Regulatory Code for Autogrill (the "**Autogrill Code**"), available in the Company's website [www.autogrill.com](http://www.autogrill.com) - Governance section), in the version most recently amended and updated in December 2016. Purpose of the Autogrill Code, to which the readers are referred for further details, is to provide Shareholders and any other Stakeholder with a useful tool to better and quickly understand the essential structure/layout of Autogrill.

Comply or  
explain

The next sections of the Report will also explain - according to the "comply or explain"<sup>3</sup> principle - the few principles and application criteria of the Self-Regulatory Code, which the Company has not, so far, decided to adopt.

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<sup>2</sup> Pursuant to paragraph IX of the "Guiding Principles and Transitional Arrangements" section of the Self-Regulatory Code in the version of July 2015, issuers are invited to implement the changes to the Code approved in July by the end of the business year beginning in 2016, informing the market through the report on corporate governance to be published during the following year. As for the amendments made to art. 8 of the Code, issuers are invited to implement them from the first renewal of the Supervisory Board following the end of the business year begun in 2015.

<sup>3</sup> Principle set out in the "Guiding Principles and Transitional Arrangements" section of the Self-Regulatory Code, paragraphs III and IV. Incidentally, we remind the readers that, in line with the Recommendation on the quality of corporate governance reporting ("comply or explain" principle) adopted by the European Commission on 9 April 2014 (2014/208/EU), paragraph IV of the aforementioned section of the Code provides, *inter alia*, that, in the annual report on corporate governance, issuers should clearly indicate the specific recommendations contained in the principles and application criteria of the Self-Regulatory Code from which they diverged. For each deviation, issuers should in particular: (a) explain how they have failed to comply with the recommendation; (b) describe the reasons for the deviation, avoiding generic or formalistic expressions; (c) describe how the decision to depart from the recommendation was taken within the Company; (d) if the deviation is limited over time, indicate the date from which they expect to start complying with the recommendation; (e) describe the behaviour, if any, adopted as an alternative to the recommendations from which they diverged and explain how said behaviour reaches the objective underlying the recommendation; or explain how the chosen behaviour contributes to their good corporate governance.

This Report is available at the Company's registered office, in its website ([www.autogrill.com](http://www.autogrill.com) - *Governance* section) and in Borsa Italiana's website ([www.borsaitaliana.it](http://www.borsaitaliana.it)).

Neither the Company nor the companies under the direct or indirect control of Autogrill (its "**Subsidiaries**") are bound to obey non-Italian laws that could affect Autogrill's corporate governance structure.

## 4. BOARD OF DIRECTORS

### 4.1. Appointment and Substitution

*Statutory Provisions*

The appointment and substitution of Directors are regulated by the applicable legislation and by article 10 of the Bylaws, whose provisions are set forth below.

*Number of Directors*

The Board of Directors consists of a number of members ranging from a minimum of three to a maximum of fifteen. The number of members of the Board of Directors is determined by the Meeting upon its appointment. If no number is established, the number of members is automatically fixed in fifteen.

*Lists of Candidates*

The Directors are appointed by the shareholders from lists submitted by the Shareholders in accordance with laws and regulations in force from time to time, also in compliance with the regulations on balance between genders, where a number of up to fifteen candidates that meet the current legal and regulatory requirements will be listed and assigned progressive numbers.

The lists must indicate which candidates meet the independence requirements set out in the applicable provisions of law and regulations.

The lists that contain three or more candidates must include candidates of both genders, so that at least one fifth (for the first mandate after 12 August 2012) and then one third (rounded up) of the candidates belong to the less represented gender.

*Entitlement to present Lists of Candidates and relevant Conditions*

Each Shareholder may present or take part in the presentation of one list only and each candidate may be presented on one list only or not qualify for election. Lists may be presented only by shareholders who alone or together with other shareholders represent at least 1.5% of the share capital or any other lower legal or regulatory percentage currently in force.

In this regard, we point out that with its Resolution no. 19856 of 25 January 2017, CONSOB fixed the minimum participation for presentation of list of candidates for Autogrill boards of Directors and statutory auditors at 1% pursuant to art. 144-*quater* of the Issuers' Regulations.

Together with each list, within the terms set forth in the provisions of law and regulations in force from time to time, statements must be

submitted where the individual candidates accept their candidacy and certify, under their own responsibility, that no causes of ineligibility and incompatibility exist and that they meet the requirements specified in the applicable legislation for the respective positions. These statements shall be filed along with the candidates' CVs or résumés providing personal details and professional information, and indicating their eventual requisites for independent directorships.

Lists failing to comply with the aforementioned requirements shall not be taken into consideration.

Each person with the right to vote can vote for one list only.

After voting, the elected candidates shall be those of the two lists that received the most votes on the basis of the following criteria:

- a) the total number of Directors to elect less two shall be taken from the list that obtains the majority of the votes cast by the Shareholders, in the progressive order in which they are listed;
- b) the other two Directors shall be taken from the list that received the most votes, after the first list, in the Meeting ("minority list"), provided it is in no way connected, not even indirectly, with the Shareholders who submitted or voted the list that received the most votes.

In the event of an equal number of votes, the entire Shareholders' Meeting shall vote again and the candidate elected shall be the candidate who obtains a simple majority of votes, subject to the provisions specified below for the balance between genders in compliance with current law.

If after voting, a sufficient number of Directors with the legal and regulatory independence requirements have not been elected, the last candidate in progressive order on the list that obtained the most votes who does not meet said requirements shall be excluded and replaced by the next candidate possessing said requirements from the same list. This procedure must be repeated until the required number of independent Directors has been elected.

In the event that the candidates elected as specified above do not ensure the required composition of the Board of Directors, in accordance with current law on the balance between genders, the candidate of the more represented gender elected last in progressive order in the list that obtained most votes shall be replaced by the first candidate in progressive order of the less represented gender not elected from that list. This replacement procedure shall be followed

*List Votes and  
Appointment  
Mechanisms*

*Balance between  
the Genders  
represented in the  
Board of Directors*

until a compliant composition of the Board of Directors is reached as required by the current law concerning the balance between genders. If this procedure still fails to ensure the expected result, the replacement shall be decided by the Meeting with the relative majority of votes, after the presentation of candidates of the less represented gender.

*Residual  
Appointment  
Mechanisms*

If only one list is presented, or if no list at all is presented or if a list presented does not allow for the election of independent Directors pursuant to legal and regulatory requirements, the Meeting shall vote with the legal majority, subject to compliance with the current law on balance between genders.

*Change in the  
Number and  
Replacement of  
Directors*

The Shareholders' Meeting may, even in the course of the Board's mandate, change the number of members of the Board of Directors, subject to the limit stated in the first paragraph of art. 10, and proceed with the relevant appointments. The term of office of Directors thus elected shall end with that of the Directors already appointed.

Should one or more Directors lapse from office during the business year, action shall be taken pursuant to art. 2836 C.C.

As an exception to the provisions of art. 10 of the Bylaws specified above, if, for any reason, the Director or Directors taken from the minority list cannot take up office or having taken it up must then stand down, he/they shall be replaced by the candidate/s belonging to the same list, by progressive order, and who are still eligible and willing to accept office. The principle of balance between genders shall in any case be complied with either upon co-opting and in the Shareholders' Meeting.

The procedure for confirming a Director co-opted by the Board of Directors or appointing another Director to replace him in the following Shareholders' Meeting is as follows: shareholders either individually or together representing at least 1.5% of the share capital or any other lower legal or regulatory percentage may indicate a candidate by filing the documentation indicated in art. 10 of the Bylaws. As previously pointed out, CONSOB, with Resolution no. 19856 of 25 January 2017, fixed the minimum participation for presentation of lists of candidates at 1%.

If a co-opted Director or the Director replaced by him had been taken from the minority list, the Shareholder representing the majority of the share capital present at the Meeting and any other Shareholders in



any way connected, even indirectly, with such Shareholder are barred from voting.

The previous provisions of art. 10 of the Bylaws hereby mentioned shall apply *mutatis mutandis*.

After the vote, the candidate obtaining the most votes shall be elected.

*Simul stabunt  
simul cadent*

Should the majority of the Directors lapse, the entire Board of Directors shall be considered to have resigned and the Shareholders' Meeting shall be promptly called by the Board of Directors for the appointment of the new Board of Directors.

### Succession Plans

*Yearly  
Assessment of  
Key Positions  
within the Group*

The Corporate HR function co-ordinates the process of evaluating the positions in the Group with most impact on the business or of a particularly critical nature and at the same time assesses the skills, performance and capacities of people currently in such positions. The annual assessment process now in place is able to identify people potentially suitable for filling any "key positions" that might fall vacant without warning in the various business structures. If no suitable internal resources are available to fill such positions in the short term, the external market is screened for candidates.

However, this assessment does not concern the Executive Director, as better explained in the paragraph "Replacement of Executive Directors" below.

*Training  
Programmes for  
the Personnel*

Furthermore, the Group favours training programmes for especially meritorious personnel and both vertical (in the same function and/or business unit) and horizontal (moving between functions and/or business units) career paths, and with a strong focus on international training for future Group managers.

The Group's human resources management is based on models that encourage and reward merit and seeks to identify the skills required in key positions which are particularly critical and strategic for the Group, thus enabling all its companies to use suitable tools for pre-selecting employees with the skills needed in succession situations (whether through promotion or horizontal transfer).

*Process of Top  
Management  
Assessment*

Top management assessment results (which also cover posts of "strategic responsibility") are submitted to the Human Resources Committee (in whose meetings the Chairperson of the statutory

auditors, or another statutory Auditor on his/her behalf, takes part as recommended in art. 6 of the Self-Regulatory Code and such information is updated at least annually.

*Replacement of  
Executive  
Directors*

The Group's human resources management is also geared to possibly replacing the CEO, in the event of termination of his office, although there is no specific "succession plan" for this case at the date of this Report.

In this regard, we point out that, in compliance with the provisions set forth in the application criterion 5.C.2. of the Self-Regulatory Code, on 10 March 2016, the Board of Directors has assessed again the possible adoption of a succession plan for Executive Directors. As a result of this assessment and considering the specific organization of human resources implemented by the Company and the peculiarity of the reference market, the Board of Directors decided not to adopt a succession plan and, therefore, confirmed the orientation already expressed with the resolution adopted on 20 December 2012.

#### **4.2. Composition**

*Duration of the  
Office of  
appointed  
Directors*

The current Board of Directors will remain in office until after approval of the 2016 financial statements by the Meeting to be called, and was elected by the Shareholders' Meeting held on 28 May 2014, by list vote, pursuant to art. 10 of the Bylaws.

*Lists presented for  
the Appointment  
of the Directors in  
Office*

For the appointment of the Board currently in office, two lists were presented:

(i) a list of 13 candidates presented by the majority shareholder Schematrentaquattro S.p.A., who, at the date of presentation of said list, held a 50.10% share of Autogrill's share capital ("**List A**"). The candidates on this list were: Gilberto Benetton, Gianmario Tondato Da Ruos, Alessandro Benetton, Gianni Mion, Paolo Roverato, Tommaso Barracco, Carolyn Dittmeier, Massimo Fasanella d'Amore di Ruffano, Giorgina Gallo, Stefano Orlando, Arnaldo Camuffo, Neriman Ülsever and Marco Mangiagalli;

(ii) a list of 2 candidates - Ernesto Albanese and Francesco Umile Chiappetta - presented by the following 14 Shareholders-investment fund administrators, who, at the date of presentation of said list, jointly held a 1.070% share of Autogrill's share capital: Anima SGR S.p.A., Arca SGR S.p.A., Ersel Asset Management SGR S.p.A., Eurizon Capital S.A., Eurizon Capital SGR S.p.A., FIL Investments International, Fideuram Asset Management (Ireland) Limited, Fideuram Investimenti

SGR S.p.A., Inferfund Sicav, Mediolanum Gestione Fondi SGR.p.A., Mediolanum International Funds Limited, Pioneer Asset Management S.A., Pioneer Investment Management SGRp.A. and Ubi Pramerica SGR S.p.A. ("**List B**").

*Directors in Office*

With votes representing 50.11% of the share capital (70.94% of the voting capital), the following candidates in list A were elected: Gilberto Benetton, Gianmario Tondato Da Ruos, Alessandro Benetton, Gianni Mion, Paolo Roverato, Tommaso Barracco, Carolyn Dittmeier, Massimo Fasanella d'Amore di Ruffano, Giorgina Gallo, Stefano Orlando and Neriman Ülsever.

With votes representing 19.08% of the share capital (27.01% of the voting capital), the following candidates in list B were elected: Ernesto Albanese and Francesco Umile Chiappetta.

It should be noted that, on 1 December 2016, the Director Mr. Gianni Mion announced his resignation from the Board of Directors of the Company, effective from 31 December 2016.

It should also be noted that the Board of Directors appointed by co-optation Mr. Marco Patuano as Director of Autogrill on 26 January 2017.

*No Cross-Directorship*

We specify that as of the date of this Report there are no so-called cross-directorship<sup>4</sup> situations: in fact, Autogrill's CEO, Mr. Gianmario Tondato Da Ruos, does not hold a directorship in any company external to the Group in which another Autogrill Director is CEO.

Set forth below are the personal and professional profiles of each Director.

Please note that information on seniority in office and attendance at board meeting and committees is given in Table 2 in the appendix.

#### *Curricula vitae of the Directors in office*

##### **Gilberto Benetton**

Chairman of the Board of Directors

Born in Treviso in 1941, Gilberto Benetton is the person who staged the diversification of the Benetton family's activities in the retail, infrastructure and real estate sectors during the last 20 years, after setting up the Benetton Group in 1965 as a leader in the fashion industry together with his sister Giuliana and brothers Luciano and Carlo.

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<sup>4</sup> In this regard, see the application criterion 2.C.5. of the Self-Regulatory Code.

He is Deputy Chairman of Edizione S.r.l., the family holding company, Chairman of Autogrill's Board of Directors (since 1997) and Edizione Property S.p.A., a Board Member of Mediobanca S.p.A. and Atlantia S.p.A.

As a keen sportsman, Gilberto Benetton has promoted the many sporting initiatives of the companies belonging to the Edizione Group, especially in the youth sector, social activities and professional rugby. Through the Benetton Foundation he created La Ghirada, a prominent sports centre in Treviso. Since 1988, he has been the Chairman of Verde Sport S.p.A., the company that manages the sports centre La Ghirada and organizes many activities for the youth and the community. In addition to all this, he also chairs Asolo Golf Club S.r.l., one of the most prestigious golf clubs in Europe.

### **Gianmario Tondato Da Ruos**

Chief Executive Officer and Group's CEO since April 2003 (Director since March 2003).

Born in Oderzo (Treviso) in 1960, he graduated in Economics & Business at Ca' Foscari University in Venice, started his career in Nordica S.p.A., then continued in Arnoldo Mondadori Editore and various companies of the Benetton Group.

In 2000, he joined Autogrill Group and moved to the United States to manage the integration of the newly acquired North American subsidiary HMSHost Corporation. Then, he managed an important phase of reorganization and strategic refocusing of Group's licensed activities and diversification into business sectors, distribution channels and geographies. His international policy of growth through organic development and acquisitions enabled Autogrill to double its sales in the Food & Beverage sector. At the same time, the acquisition and subsequent integration of Aldeasa S.A., Alpha Group Plc. and World Duty Free Europe Ltd. transformed the Group into the world's biggest airport retailer in 2008. This course of action continued with the demerger and concomitant listing of World Duty Free S.p.A. in 2013 on the stock market.

He is now Chairperson of HMSHost Corporation, Independent Director of International Game Technology PLC and Member of the Advisory Board of Rabo Bank.

## **Ernesto Albanese**

Independent Director appointed by minority shareholders

Born in Naples in 1964, Ernesto Albanese graduated in Political Sciences and International Economics at Federico II University in Naples, completed his education with a master's degree in Services Marketing at Unioncamere (Consortium of Italian Chambers of Commerce) and later attended specialist courses at SDA Bocconi and The Institute of Marketing in London.

He has over 25 years of experience, most of which as a top manager in public and private companies in different sectors, especially transport, tourism and sport.

During his professional career, he worked in Alitalia and Seat Pagine Gialle, he held the position of Chief Executive Officer of Eurofly S.p.A., general director of Coni Servizi S.p.A., Chief Executive Officer of Atahotels and the Fondiaria-Sai Group, and General Director of the Organizing Committee of the 2020 Olympic Games in Rome.

He is the founder and CEO of Fattore Italia S.r.l., as well as the Chief Executive Officer of CampusX S.r.l., a company that manages university residences.

He is executive chairman of Simav S.p.A. (Siram by Veglia Group), a company operating in the field of industrial plant maintenance. He is an independent member of the Board of Directors of Autogrill S.p.A., Geox S.p.A., Prelios Deutschland, the vocational training consortium ELIS and the Italian Tennis Federation.

In 2005 he founded the association "l'Altra Napoli Onlus", which he chairs ever since. In 2007, he was awarded the title of *Commendatore* (Knight Commander) of the Italian Republic.

## **Tommaso Barracco**

Independent Director

Born in Cosenza in 1951, he graduated in mechanical engineering at Pisa University and took a Master's in Business Administration at HEC (Jouy en Josas, France).

He started his career as a project manager with Ansaldo Group companies in the field of energy production plant engineering in Italy and abroad.

In 1984 he joined Boston Consulting Group (BCG) in Paris, subsequently becoming a partner and managing director in 1990 and senior partner in 1999.

At BCG he held posts of responsibility in industrial sectors and was managing director at BCG Italia. He worked with large international groups and developed in-depth knowledge of consumer goods, distribution, services, transport and tourism.

He has contributed to many studies and publications on the creation of value in companies and problems involved in internationalization and competition.

He has been an independent director of Autogrill since 2011 and board member of Benetton Group S.p.A. and Olimpias Group.

### **Alessandro Benetton**

Director

Born in Treviso in 1964. He graduated in Business Administration from Boston University. In 1991 he obtained a Master Degree in Business Administration from Harvard.

His professional career began at Goldman Sachs, as an M&A analyst. In 1993 he founded Schemaquattordici S.p.A. (former 21, Investimenti S.p.A.), a holding company whose shareholders are Edizione S.r.l., Intesa SanPaolo S.p.A., Fininvest S.p.A., Seragnoli Group, Assicurazioni Generali S.p.A. and Ricerca S.p.A.

He is Chairman and CEO of 21 Partners S.p.A., board member of Edizione S.r.l., Autogrill (since 1997). He is Chairman of the Board of Directors of 21 Investimenti SGR S.p.A. and a member of the Supervisory Board of 21 Centrale Partners S.A. He is also a member of the International Advisory Committee of Robert Bosch Internationale Beteiligungen AG.

### **Francesco Umile Chiappetta**

Independent Director appointed by minority shareholders

Born in Rome in 1960, he graduated in Law at La Sapienza University in Rome.

His professional career began in 1983 at Consob, where he held various positions, including as Head of the Regulation Office. Since

1989 he has been working as an academic, holding courses and seminars at major Italian universities, such as Luiss in Roma and Bocconi in Milano. He published several papers on corporate law and securities market and, especially, the book "Diritto del Governo Societario (Corporate Governance Law)", now in its fourth edition.

During his professional career, he held the office of Deputy General Director of Assonime, where he was in charge of the corporate law and securities market sector, Secretary of the Board of Directors and General Counsel of Telecom Italia S.p.A. and General Counsel and General & Institutional Affairs Director of Pirelli & C. S.p.A.

He is now Governance Senior Advisor of Pirelli & C. S.p.A.

He has collaborated in the drafting of the Self-Regulatory Code for listed companies and has been an expert of the EU Commission on Corporate Law and Corporate Governance.

Since 2005, he is Chairman of the Company Law Working Group of Business Europe – the Confederation of European Business, former UNICE (Union of Industrial and Employers' Confederation of Europe), member of the Board of Directors of Istituto Europeo di Oncologia (IEO), Armònia Holding and Armònia Sgr.

### **Carolyn Adele Dittmeier**

Independent Director

Born in Salem (USA) in 1956, she completed her education at the Wharton School of Business, University of Pennsylvania.

Her professional career began at Peat Marwick Mitchell (now KPMG) in 1978.

From 1987 to 1999, she worked at Montedison, where she held offices as Head of Group Financial Reporting and Head of Internal Audit.

Afterwards, in the years 1999-2002, she was Associate Partner in charge of Corporate Governance for the company KPMG. From 2002 until the first months of 2014, she worked at Poste Italiane Group, where she was Head of Internal Audit.

During her career, she has held several positions of responsibility in the most important, national and international, professional associations of internal auditing, serving from 2004 to 2010 as President of the Italian Association of Internal Auditors, in the two-year period 2011-2012, as President of the European Confederation of

Institutes of Internal Auditing and, from 2013 to 2014, she was Deputy Chairperson of the Institute of Internal Auditors (IIA), the major reference association in the world.

She is now the Chairperson of the Board of Statutory Auditors of Assicurazioni Generali S.p.A., as well as Independent Counsel and Chairperson of the Control and Risk Committee of Italmobiliare S.p.A., resigning with effect from the date of the next assembly. On 26 January 2017, she was appointed independent director of Alpha Bank A.E. based in Athens.

She is senior advisor to Ferrero International S.A. within the Audit Committee and she was also a member of FAO (*Food and Agriculture Organization*) Audit Committee from 2012 to 2015, holding the position of Chairperson in the two-year period 2014-2015.

She is the author of several publications on governance issues, and risk control and management systems.

### **Massimo Fasanella d'Amore di Ruffano**

Independent Director

Born in Bari in 1955, he obtained his engineering degree from the École Polytechnique Fédérale of Lausanne.

From 1980 to 1995 he covered several positions in Procter & Gamble, in the marketing, operations and general management sectors in Europe and in North Africa.

In 1995 he was appointed International Marketing Vice-President of PepsiCo, where he contributed to the development of the Pepsi brand in Latin America, China and India.

In 1997 he was appointed Senior Vice-President and Chief Marketing Officer of Pepsi-Cola International, but simultaneously maintained the role of Business Unit General Manager for Turkey and Central Asia. Between 2000 and 2007, he covered several leadership positions in the company: Senior Vice President Strategy and Development (2000-2002), President for the Latin American Region (2002-2005) and Executive Vice-President Commercial of PepsiCo International.

In 2007 he was appointed as CEO to head the Beverages Division of PepsiCo for the Americas and in 2011-2012 he became President of the Global Beverages Group for the Beverages Division of PepsiCo.



Since 2012 he has been an independent member of Autogrill's Board of Directors and since 2013 he has been a Board Member of HMSHost Corporation.

### **Giorgina Gallo**

Independent Director

Born in Turin in 1960, she graduated in Business Administration at the Economics and Business University of Turin qualifying in marketing; then completed her General Management training at INSEAD's Cedep in Fontainebleau (Paris).

She developed her professional career within the multinational L'Oréal, where she held management positions of increasing responsibility until she became Chief Executive Officer of L'Oréal Saipo in 2001 and, from 2008, Chairperson and CEO of L'Oréal Italia Group. She left at the end of 2013, but she still fills the office of Honorary President.

During her professional experience, she held the following positions in several associations: Deputy President of Cosmetica Italia and Centro Marca, member of the Boards of Directors and Committees of Federchimica, Assolombarda, Unione Industriale Torino, GS1-Indicod/ECR, UPA and Auditel.

For her work, she has received major institutional awards and obtained in 2005 the title of Grand Officer of the Italian Republic, in 2006 the title of Chevalier de l'Ordre national from the French Republic and in 2012 she was awarded the Bellisario Prize for managers.

Since 2014, she has been a strategic consultant for mass-market and retail companies and she has been working as independent Board member of Telecom Italia and Autogrill. Since 2016, she is an independent Board member of Intesa-S.Paolo and Zignago Vetro.

### **Stefano Orlando**

Independent Director

Born in 1948 in Venice, he graduated in economics at Ca' Foscari University, Venice. He became an accountant in 1980 and is also a registered auditor.

He started his career in Milan in 1974 and joined Arthur Andersen S.p.A. the following year, becoming a manager in 1980 and partner in 1986. From 1987 to 1993 he was a member of the National

Professional Standards Committee, of which he was also national coordinator of professional training (1989-1992) and headed its offices in the Triveneto region and then Brescia (from 1992). He later directed auditing activities for manufacturing, commercial and services companies, also for the Bologna, Florence, Parma and, most recently, Rome, Naples and Bari offices.

In 2002 he was appointed country managing partner for the Arthur Andersen network and managing director of Arthur Andersen S.p.A. Following integration with the Deloitte & Touche network, he became country managing partner of the latter and managing director of Deloitte & Touche S.p.A., which he left in 2005.

He was a member of the Board of Directors of Benetton Group S.p.A. from 2010 to 2012.

He is currently an independent director of Autogrill (since 2011), as well as Lead Independent Director of Autogrill since May 2014.

### **Marco Patuano**

Director

Born in Alessandria in 1964. Married with three children.

He graduated in Business Economics and Finance at Bocconi University in Milan, and completed his training attending various post-graduated courses in Europe and the USA.

Between 1990 and 2016, he worked in Telecom Italia Group, where he reached the position of CEO in 2011. During his office in Telecom Italia, he spent several years abroad (2002-2008), holding, *inter alia*, the positions of CFO Brazil, General Manager Latin America and CEO Telecom Argentina. In the same period, he was a member of the Boards of several companies listed in local markets and in the USA.

Until 2016, he was also an advisor to the Telecom Italia Foundation, the Bocconi Foundation, the European Institute of Oncology and collaborated with various universities in Italy and the USA.

Since January 2017, he holds the office of CEO of Edizione S.r.l., an equity investment holding company belonging to the Benetton family, and the position of Director of Atlantia S.p.A., a holding company working in the field of motorway and airport infrastructure.

He is a non-executive director of Autogrill since January 2017.

## **Paolo Roverato**

Director

Born in Padua in 1963, he graduated in business economics from Ca' Foscari University in Venice. He is a chartered accountant and registered auditor.

He started his professional career with a primary accounting firm in Padua and in 1989 joined Arthur Andersen S.p.A., where he became a manager in 1994 and took up increasing responsibilities over time within the framework of its national organization.

Since 2002, he has been an executive at Edizione S.r.l. He has been a member of the boards of directors of many companies, including World Duty Free S.p.A., World Duty Free S.A.U., Telecom Italia Media S.p.A., Gemina S.p.A., Aeroporti di Roma S.p.A., Investimenti Infrastrutture S.p.A., Leonardo S.r.l., Schemaventotto S.p.A., Schematrentaquattro S.p.A., Schematrentanove S.r.l., Immobiliare Italia S.r.l., Sagat-Aeroporto di Torino S.p.A., Aeroporto di Firenze S.p.A. and Managing Director of Aeroporti Holding S.p.A.

At present, he holds the following offices: member of the Board of Directors (since 2008), of the Control, Risk and Corporate Governance Committee and of the Human Resources Committee of Autogrill; board member of Edizione Property S.p.A., Immobiliare San Giorgio S.p.A. and Maccarese S.p.A.; managing director of Edizione Alberghi S.r.l. He is also a standing statutory auditor of Alì S.p.A.

## **Neriman Ülsever**

Independent Director

Born in Bursa (Turkey) in 1951, she graduated in Business Management and Operational Research at the Bosphorus University in Istanbul.

In 1973, she started her career at Turkish Airlines, where she held positions of increasing responsibility. From 1986 to 1994, she held managerial offices in banking, industrial and retail sector companies.

In 1995, she joined Indesit Company in Turkey and, over the years, she held various international positions in Indesit Group's HR department.

Between 2011 and January 2017, she was the Group President of Human Resources at H.O. Sabancı Holding A.S., Deputy Chairperson of

Kordsa Global A.S., Temsa A.S. and board member of CarrefourSA, Aksigorta and AvivaSA in Turkey.

Limits to the Number of Management and Control Positions held in other Companies

*Limits to the Number of Positions of Executive and Non-Executive Directors*

The Board of Directors adopted the policy described below regarding the maximum number of administration and control positions that Autogrill's directors may hold simultaneously in other companies<sup>5</sup>, as proposed by the Internal Control and Corporate Governance Committee. In particular:

- a) an executive director of the Company must not hold the office of:
  - i) executive director in another listed company or a finance company, bank or insurance company, or any company with shareholders' equity in excess of €10 billion and
  - ii) non-executive director or statutory auditor (or member of a supervisory board) in more than three of the companies referred to in (i) above;
- b) a non-executive director of the Company, in addition to the office held in the Company, must not hold the office of:
  - (i) executive director in more than one of the companies in (a)(i) above and non-executive director or statutory auditor (or member of a supervisory board) in more than three of the companies above mentioned, or
  - (ii) non-executive director or statutory auditor in more than six of the above companies.

These limits shall not include offices held in other companies belonging to the group headed by Edizione S.r.l.

During its meeting on 9 March 2017, the Board of Directors verified the compliance of each director in office with the limits to the number of positions set out above.

*Notification Requirement*

In any case, before taking up the office of director or statutory auditor (or member of a supervisory board) in another company which is neither an associate nor a direct or indirect subsidiary of Autogrill, the

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<sup>5</sup> Resolution of the Board of Directors taken on 12 December 2007 and later confirmed by the Board's resolution dated 9 March 2017, having regard to the favourable opinion of the Control, Risk and Corporate Governance Committee in compliance with the application criterion 1.C.3. of the Self-Regulatory Code.

Executive Director shall inform the Board of Directors, which shall preclude taking up the office where it notes incompatibility with the Executive Director's functions and the interests of Autogrill.

A similar requirement is set forth in Autogrill's Code (section 1.5, paragraph 2).

*Explanations  
required by the  
"Comply or  
Explain" Principle*

In the light of the "comply or explain"<sup>6</sup> principle, we point out in this connection that:

- (a) with regard to the recommendation contained in the application criterion 1.C.3. of the Self-Regulatory Code<sup>7</sup>, the aforementioned advice of the Board of Directors does not expressly require that, in order to determine the number of administration and control offices, the participation of directors in the Board's committees should be taken into account;
- (b) the Board of Directors has repeatedly discussed and evaluated the opportunity of taking into account the participation in the Board's committees as an explicit limit on the number of offices; said opportunity was, however, excluded based on the fact that the only inspiring principle of any consideration on the matter should be the concrete adequacy of the time available for each Board Member – also taking into account the commitment connected to his/her work and professional activities, as well as the number of offices as director and auditor held in other companies listed in regulated markets (including abroad), or in investment, banking, insurance or significant-size entities - to effectively carry out his/her tasks, a criterion that should be considered by the Shareholders when selecting the candidates to be included in the list for the appointment of Board Members and, most of all, by each of the candidates for said office;
- (c) the decision to depart, albeit minimally, from the application criterion prescribed by the Code was finally taken by the Board of Directors, having regard to the opinion of the Control, Risks and Corporate Governance Committee, through a resolution adopted unanimously by the Directors attending the Meeting on 9 March 2017;

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<sup>6</sup> A principle ratified by paragraph IV of the "Guiding Principles and Transitional Arrangements" section of the Self-Regulatory Code. See paragraph 3 above of this Report and related footnotes.

<sup>7</sup> See the application criterion 1.C.3. of the Code.

- (d) the advice of the Board of Directors will be periodically subject to discussion and evaluation in order to take into account not only the concrete needs of the Company, but also the indications that will gradually emerge, *inter alia*, the annual report on the enforcement of the Self-Regulatory Code, issued by the Corporate Governance Committee, and annually published by Borsa Italiana and, more generally, any change in the practice of Italian listed companies in the matter;
- (e) although the Board of Directors has decided, for the reasons set forth above, not to adopt an explicit rule in this regard, the participation in the Board's committees was, however, in practice taken into account by each of the Directors currently in office so as to confirm the adequacy of the time available for each Board Member to effectively carry out his/her tasks.

*Other Offices held  
by the Directors*

This Report contains the attached Table 2 showing the number of offices held by each Director in other companies listed in regulated markets (including abroad), in investment, banking, insurance or significant-size entities, with indication of the company name and position held.

### Induction Programme

After the settlement of the current Board of Directors, induction activities were initiated to the benefit of Directors.

Induction sessions for newly appointed Directors were held in June and in July 2014, in general within the Board of Directors and, in particular, within the Control, Risk and Corporate Governance Committee.

In March 2015, the Chairperson of the Control, Risk and Corporate Governance Committee, Ms. Carolyn Dittmeier, and the Chairperson of the Board of Statutory Auditors, Mr. Marco Rigotti, went to the headquarters of the subsidiary company HMSHost Corporation in Bethesda (Maryland, USA) for a two-day off-site induction session. Detailed illustration was provided during that session of the activities carried out by each function of the North American subsidiary with a view to the implementation of the general policies on the internal control and risk management system. The Chairperson of the Control, Risk and Corporate Governance Committee and the Chairperson of the Board of Statutory Auditors have then provided an extensive

report to the Committees on what they learned during their visit and they also briefly informed the Board of Directors of the Company.

During 2015, and precisely from 29 September 2015 to 2 October 2015, an off-site induction session took place in the United States, with the participation of the members of the Board of Directors and the Board of Statutory Auditors.

In particular, after Autogrill's Board of Directors meeting held on 30 September 2015 at the head office of HMSHost Corporation in Bethesda (Maryland), a comprehensive induction session was held, during which the top management of HMSHost Corporation illustrated the competitive framework, the organizational structure of the North American group and the management of its key activities.

On the same day, a visit led by HMSHost Corporation's Management to the motorway service area called "Delaware Welcome Center Travel Plaza", managed by HMSHost Corporation, was also organized during the same induction session.

On the next day, 1 October 2015, the members of the Board of Directors and the Board of Statutory Auditors took part in a guided tour of Charlotte Douglas International Airport (North Carolina), where the Travel Food & Beverage services, which are entirely managed by the subsidiary HMSHost, were illustrated by the Management managing airport facilities.

During 2016, two days of classroom refresher course were held (on 13 April and 30 June). In the first, the Chief Executive Officer and Group's CEO Mr. Gianmario Tondato, the Chief Executive Officers of the business units Europe and International and some other senior executives of the Company and the Group provided the Directors and Auditors with detailed information on the business sector in which the Company operates, the business trends and their evolution, with particular attention to strategic issues. During the second meeting, a thorough analysis of the reference market and main business development lines was carried out with the participation of Autogrill S.p.A.'s strategic managers.

It should also be noted that the induction activity is expressly provided for by art. 5, paragraph (g) of the Autogrill Code, which – in compliance with the instructions given in the application criterion 2.C.2. of the Self-Regulatory Code – states that the promotion of the participation, in the most appropriate forms, of Directors and Auditors in activities aimed at providing them with a greater understanding of

the sector in which the Company operates, the principles of proper risk management, the regulatory and self-regulatory reference framework and business trends, is expressly entrusted to the Chairperson of the Board of Directors<sup>8</sup>.

### 4.3. Role of the Board of Directors

*Frequency of Board of Directors' Meetings*

Autogrill's Board of Directors is regularly called. In 2016, it met 12 times and 10 meetings are expected for 2017 (3 of which have already been held as of the date of this Report).

The average duration of the meetings of Autogrill's Board of Directors is approximately 2 hours and 30 minutes. It is slightly higher than the duration reported in the 4<sup>th</sup> Report of the Corporate Governance Committee on the application of the Self-Regulatory Code – Annual Report 2016 of 1 December 2016.

Also considering the regular recurrence of its meetings, the Board of Directors is capable of efficiently and promptly performing its tasks and its composition is such that the priority of the corporate interest can be ensured in the performance of its functions.

*Pre-Board Meeting Information Package*

The promptness and completeness of the Pre-Board Meeting Information Package are ensured by the competent managers of the Company, who take care of all the necessary documents for the discussion of the points listed in the Agenda.

Transmission of these documents to the Board Members is under the direct control of the Secretary of the Board of Directors (a position assigned by the Board of Directors to the Group General Counsel, Ms. Paola Bottero, on 10 November 2010 and later confirmed on 28 May 2014), who takes care to prepare it reasonably in advance before the meeting date, also considering any possible confidentiality and urgency requirement in connection with certain subjects.

In this connection, Autogrill Code<sup>9</sup> requires that the material regarding each Board meeting be normally transmitted to the Directors at least three days before the meeting date.

The Pre-Board Meeting Information Package has been facilitated by the creation by Autogrill of a specific section in the corporate Intranet to be strictly accessed only by the Board Members and Statutory Auditors. The remote document sharing system allows, *inter alia*, for

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<sup>8</sup> As provided for by the application criterion 2.C.2. of the Self-Regulatory Code.

<sup>9</sup> See section 4.4 of the Autogrill Code, which is in line with the application criterion 1.C.5. of the Self-Regulatory Code.



the regulation of access functions in connection with the privacy requirements of the information made available (read-only or printable formats - with watermarks identifying the origin and confidentiality of the document – downloadable format). So now Board Members and Statutory Auditors can connect to the database from wherever they are and view the documents of any meeting held in real time or consult the documents regarding all past meetings held over the duration of the respective mandate.

With respect to the Board meetings held in 2016, the term of three days set by the Autogrill Code was generally complied with and, in the cases when it was not possible to send the materials required for a meeting within the defined due date, the time to obtain the necessary, accurate and timely information was granted during the Board meetings<sup>10</sup>. In this respect, it should be noted that Autogrill Code<sup>11</sup> states that the Chairperson has not only the duty to ascertain that, as mentioned above, at least three days in advance Board Members are sent the most appropriate documents regarding the items on the Agenda so as to enable effective participation of the Directors in the works of the Board, but also to ensure that adequate investigations are carried out during Board sessions if, in specific cases, the aforementioned Pre-Board Meeting Information Package cannot be provided.

The cases, in which, for confidentiality and urgency reasons, the information on some issues was given at the Board meeting were very rare and account for a percentage of about 3%.

*Participation of  
Directors in Board  
Meetings*

In line with the application criterion 1.C.6. of the Self-Regulatory Code, the directors of the Company and the Group having specific competencies and responsibilities on each individual issue examined by the Board<sup>12</sup> are invited to attend all the meetings of the Board of Directors in connection with the subjects dealt with from time to time.

During the meetings, the Managing Director and the Executives of the Company and of the Group usually give their presentations first and the Chairperson encourages their discussion with all the Board Members.

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<sup>10</sup> In this connection, see the remark on the application criterion 1.C.5. of the Self-Regulatory Code.

<sup>11</sup> See art. 5 of the Autogrill Code.

<sup>12</sup> In this regard, see the application criterion 1.C.6. of the Self-Regulatory Code and the consistent section 4.6 of the Autogrill Code. Furthermore, the comment to art. 1 of the Self-Regulatory Code reads: *"In order to enhance Board meetings as a typical occasion, in which directors (and especially non-executive directors) can obtain adequate information about the management of the Company, the Chief Executive Officers ensure that the competent executives in charge of the relevant corporate functions in relation to the items on the agenda are ready to take part, where requested, in these meetings"*.

The habitual participants in Board meetings are: the Group Chief Financial Officer, the Group General Counsel, and the Group Corporate & Regulatory Affairs Director. The Group Strategy and Investment Control Director, the Group Chief Internal Audit & CSR, the Head of Group Enterprise Risk Management, the Group Head of HR & Organization are also invited to attend the meetings, when the topics of their respective competence are dealt with.

In addition to those that may not be delegated by law or Bylaws, the subjects that are under the exclusive competence of the Board of Directors are expressly listed in the Autogrill Code<sup>13</sup>, pursuant to which the Board of Directors:

- a) prepares and adopts the Company's corporate governance rules and defines the guidelines of the Group's corporate governance;
- b) appoints the Supervisory Body pursuant to L.D. 231/2001 and approves the organization, management and control model described therein (the "**Model**");
- c) approves the Company's and Group's strategic, industrial and financial plans, including those that span over several years, as well as any change made thereto to allow for transactions of strategic significance that had not been originally included in those plans, and periodically monitors their implementation;
- d) implements, as regards transactions with related parties, which remain under its exclusive competence, the provisions issued on this subject by CONSOB, as transposed into internal procedural rules of the Company and Group;
- e) defines the nature and level of the risk compatible with the Company's strategic objectives, including in its assessments all the risks that may be relevant to sustainability over the medium to long term of the Company's activities<sup>14</sup> and, in the presence of relevant circumstances, the Board acquires the necessary information and takes all appropriate measures to protect the Company and the information disclosed to the market<sup>15</sup>;

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<sup>13</sup> See section 1.3 of the Autogrill Code, which is in line with principle 1.P.2. and application criterion 1.C.1. of the Self-Regulatory Code.

<sup>14</sup> See the application criterion 1.C.1.b) of the Self-Regulatory Code.

<sup>15</sup> The comment to art. 1 of the Self-Regulatory Code reads: "*The Committee stresses the fundamental role of the Board of Directors in assessing the actual operation of the system for the internal control and management of the risks that may be relevant to sustainability over the medium to long term of the issuer's activity. In the presence of relevant circumstances, the Board of Directors acquires the necessary information and takes all appropriate measures to protect the company and the information disclosed to the market*".

- f) approves the budget and the annual financial strategy of the Company and the consolidated budget of the Group;
- g) approves the operations of the Company and Group having a strategic, economic, equity or financial significance (and that are identified as operations, whose value is higher than the limits of the powers conferred on the Chief Executive Officer);
- h) examines, evaluates and approves, in compliance with the corporate Bylaws, the legislation and the Autogrill Code, the periodic accounting records and the disclosures required by the applicable legislation, to be submitted to the Board of Statutory Auditors, also in compliance with the procedure adopted pursuant to art. 7 of the Autogrill Code;
- i) attributes, determines the content of, and revokes powers of attorney granted to the President, the CEO, the Executive Committee (if existing), and any Directors with special proxies, appoints the members of the Human Resources Committee and the Control, Risk and Corporate Governance Committee and the members of any other committee that may be established within the Board of Directors (collectively, the "**Committees**"), by defining the limits, operating modes and periodicity (at least once every three months) with which the company officers must report to the Board about the activities carried out in the exercise of their powers;
- j) determines, after examining the proposals of the HR Committee and consulting with the Board of Statutory Auditors, as legally required, the remuneration of the President, CEO and, if appointed, Directors with particular roles and, if the Meeting has not yet done so, apportions the global fees into the portions for each individual member of the Board of Directors, as well as for the members of the Committees formed under the Autogrill Code and for the members of any other existing Committee;
- k) evaluates the adequacy of the organizational, administrative and accounting layout of the Company and the Group; examines and evaluates the general business trends of the Company and the Group, by periodically comparing the results achieved against those expected; examines and evaluates any situation of conflict of interests; all these evaluations being based on the information received from the company officers, from the Company's and the Group's management and from the internal control function, keeping into consideration, in particular, the information

received from the President, CEO, Control and Risk Management System Director, and Control, Risk and Corporate Governance Committee;

- l) upon the CEO's proposal, establishes the composition of the governing bodies of the Subsidiaries identified by the Board of Directors from time to time as Subsidiaries of strategic importance;
- m) upon the CEO's proposal, determines the assignments and powers of the General Manager of the Company, if appointed;
- n) without prejudice to the competencies of the Shareholders' Meeting, takes care, after consulting with the HR Committee, to adopt and implement monetary or share incentive plans in the favour of the employees of the Company and defines the contents and criteria of the monetary or share incentive plans in the favour of the employees of the Subsidiaries, and approves, after consulting with the HR Committee, the annual Remuneration Report;
- o) takes care to ensure that the Board of Statutory Auditors information procedure defined in art. 150 of TUF is complied with;
- p) reports, as required by the applicable legislation and regulations, to the Shareholders during the Meetings;
- q) appoints the Chief Internal Audit Executive;
- r) approves, after consulting with the Control, Risk and Corporate Governance Committee, the annual Report on Corporate Governance and Ownership Structure defined in art. 123-bis of TUF.

*Exclusive  
Competence of  
the Board of  
Directors: Control  
and Risk  
Management  
System*

Furthermore, as regards the Control and Risk Management System, the Board of Directors:

- (a) after obtaining the favourable opinion of the Control, Risk and Corporate Governance Committee, (i) defines the guidelines of the Control and Risk System, evaluates its adequacy and effectiveness against the characteristics of the company and the risk profile adopted at least on an annual basis, and entrusts the Control and Risk Management System Director with the task of setting up and maintaining an effective Control and Risk System; (ii) approves, upon the Chairperson's proposal, at least on an annual basis, the work plan prepared by the Chief

Internal Audit Executive, after consulting with the Board of Statutory Auditors and CEO; (iii) evaluates, after consulting with the Board of Statutory Auditors, the results shown by the Independent Auditors in its letter of suggestions and report on main issues that have arisen during legal auditing; and

- (b) upon the Chairperson's and Control and Risk Management System Director's proposal and after obtaining the favourable opinion of the Control, Risk and Corporate Governance Committee and consulting with the Board of Statutory Auditors: (i) appoints and revokes the Chief Internal Audit Executive; (ii) ensures that the Chief Internal Audit Executive is provided with the adequate resources to perform his/her tasks; and (iii) defines the remuneration of the Chief Internal Audit Executive consistently with corporate policies and in compliance with the applicable legislation<sup>16</sup>.

*Assessment of the Adequacy and Effectiveness of the Control and Risk System*

During the meeting of 9 March 2017, based on the information and evidence collected with the support of the investigative work carried out by the Control, Risk and Corporate Governance Committee, and further based on the assumptions and assessments of the Control and Risk Management System Director, the person in charge of Internal Audit, the Financial Reporting Manager and the Enterprise Risk Manager, the Board of Directors ascertained that there are no problems such as to affect the overall adequacy and effectiveness of the Control and Risk System considering the structure of the Company and Group and the peculiarity of the activities carried out by the Group. The Board of Directors underlines that the Control and Risk System is constantly improved through monitoring and systematic planning of improvement initiatives.

We also point out that, on 20 December 2016, the Board of Directors reviewed a risk profile analysis concerning the risks faced by the Company and the Group, conducted on the financial projections of Autogrill Group for the years 2017 – 2019 and, acknowledging the risk mitigation actions identified by the Group's management, the Board resolved to assess the risk profile that is compatible with the Company's and Autogrill Group's management, in line with the corporate objectives and financial projections illustrated in the same meeting. The risk profile is updated every three months.

*Assessment of General Business Trends*

Finally, the Board has periodically assessed general business trends by taking into consideration the information received from the company

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<sup>16</sup> In this respect, see section 11.3 of the Autogrill Code.

officers and making periodic comparisons between expected and achieved results. In particular, the Board of Directors<sup>17</sup>:

- periodically monitored the implementation of the industrial and financial plans of the Company drafted from time to time;
- adopted policies and procedures as risk management methods for the typical risks of the business activity;
- examined and made decisions on the significant transactions of the Subsidiaries, even with the mere purpose of acknowledging the same.

*Assessment of the Adequacy of the Organizational, Administrative and Accounting Structure of the Issuer and of the Subsidiaries of Strategic Importance*

During the meetings held on a monthly basis, the Board of Directors and the Control, Risk and Corporate Governance Committee assess the adequacy of the organizational, administrative and accounting structure of the issuer and of the subsidiary of strategic importance (HMSHost Corporation) with reference to the internal control and risk management system.

*Emoluments of Executives*

As regards Directors' Fees, we point out that the global remuneration amount was divided among the members of the Board of Directors during the Shareholders' Meeting on the date of their appointment, 28 May 2014.

On the same day, in the meeting following its appointment, the Board of Directors apportioned the overall amount of Directors' emoluments fixed by the Shareholders' Meeting among the Board's committees and their respective members. On 18 June 2014, upon the proposal of the Human Resources Committee and having heard the opinion of the Board of Statutory Auditors, it also fixed the emoluments for the special executive functions assigned to the CEO.

*Periodic Board Self-Evaluation Programme*

In December 2016, in line with international best practices and with the provisions of the Self-Regulatory Code<sup>18</sup>, the Board of Directors initiated the periodic Board self-evaluation programme with reference to the Business Year, regarding the size, composition and operation of the Board of Directors and its Committees, also taking into account the experience, including managerial experience, and gender of its members, as well as their seniority in office.

The board review was conducted through director interviews of individual directors by the Lead Independent Director, with the assistance of the Secretariat of the Board of Directors.

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<sup>17</sup> In line with the requirements of application criterion 1.C.1. of the Self-Regulatory Code.

<sup>18</sup> See the application criterion 1.C.1.g) of the Code.

The results of the interviews were reported in a summary document, which was first made available to the Directors, and then illustrated and discussed during the Board meeting on 16 February 2017.

As in the previous annual self-evaluation processes, the opinion expressed by the Directors was very positive, in general terms, albeit with some areas of possible improvement and food for thought.

In general, the Directors think that the structure and composition of the current Board are appropriate to the characteristics of the Company and, in particular, that the number, mix (in terms of functions, professionalism, management, age and seniority, and gender), skills and expertise, and, finally, knowledge and understanding of business are well balanced and consistent with the needs of the Company and of the Group.

However, some Directors have suggested appointing, within the Board of Directors, a highly qualified professional in the typical area of activity of Autogrill.

The aspects of excellence in Autogrill governance that emerged from the self-evaluation process are various and consolidated. Among the main confirmations, we point out:

- the number, frequency, planning and duration of the meetings;
- the timeliness, usefulness and quality of the documents prepared and provided to the Board of Directors in preparation for the Board meetings;
- the participation and opening of the debate on the various topics in the agenda;
- the formulation of the reasons for resolutions and the consistency of the minutes with the topics discussed in individual meetings;
- the information on press releases disclosed to the market and the management of price sensitive information.

Some Directors considered it advisable to request more frequent updates on specific issues and also required to devote more time to business trends and the review of strategic lines during Board meetings, also with the dedicated participation of the Group's CEO. As currently provided by the Autogrill Code, as a result of the amendment introduced at the meeting of the Board of Directors of the Company held on 20 December 2016, it was also required to submit reports on the activities carried out by the committees on the

occasion of Board meetings. The possibility to meet more frequently the CEOs of business units was also strongly supported.

As the mandate of the Board of Directors expires on the date of the Shareholders' Meeting that will be convened to examine and approve the financial statements as at 31 December 2016, the self-evaluation on the third year of the mandate has been focussed on the final assessment of the operation of the Board of Directors, as well as on the collection of any considerations on the size and composition of the corporate body, so as to provide any further useful elements in support of the choice of the candidate directors, who will be proposed to the Shareholders' Meeting for the three-year period 2017-2019.

Following the Board evaluation process, the members of the Board of Directors have nevertheless considered that the professional figures currently represented in the Board of Directors of the Company are adequate to the Company's characteristics.

*Derogations to  
the Prohibition of  
Competition*

We point out that the Shareholders' Meeting did not grant any general prior authorization for exceptions or waivers in respect of the prohibition of competition by Directors pursuant to art. 2390, civ. code. To date, however, none of the situations contemplated in said provision have occurred.

#### **4.4 Company Officers**

##### **CEO or Managing Director**

*Functions and  
Powers of the Chief  
Executive Officer*

The Board of Directors is a unitary body in which the delegated management powers entrusted to the CEO are balanced by the technical and professional expertise of non-executive and independent directors in order to promote ongoing and positive discussion within the Board of Directors leading to decisions in line with the interests of the Company.

In line with a resolution taken by Autogrill's Board of Directors in their meeting on 28 May 2014, the CEO has general management powers to be exercised within the framework of (i) business plans and budgets, (ii) limitations of scope and values applying to the matters reserved to the Board of Directors, (iii) laws and regulations and the Company's Code of Ethics and procedures, and (iv) all decisions and policies of the Board.

*Limits to the  
Powers granted*

Some of the powers of the Chief Executive Officer – who also acts as Group's CEO – must be exercised within the specific limits listed below:



- (a) purchase and sale contracts (including those with title retention clauses) and trade-in of machinery, plant, equipment, materials and motor vehicles within a value limit of €5,000,000 per single contract;
- (b) consultancy, intellectual and professional services contracts in general: up to €1,000,000 per fixed-term contract;
- (c) leases and subleases of buildings and similar units of property, leasing or subleasing of businesses, provided that the minimum annual rent does not exceed €5,000,000;
- (d) acquisitions and/or disposals of businesses or business units: up to €5,000,000, gross of all charges and liabilities, per single contract;
- (e) purchase, sale or underwriting of shares, equity interests or consortium shares: amounts not in excess of €5,000,000 per transaction;
- (f) purchase and sale (spot and forward) and pledging of Government securities and Government-backed securities of any kind, and purchase and sale of debt instruments of supranational issuers, with full powers: up to €5,000,000 per transaction;
- (g) stipulation, with appropriate clauses (including arbitration), amendment and termination of purchase and sale contracts for buildings, land and other property assets: up to €5,000,000 per single contract;
- (h) stipulation, also in the interest of Subsidiaries, with appropriate clauses (including arbitration), amendment and termination of agreements to open credit lines and credit facilities in general, financing or credit mandates: up to €10,000,000 per single contract;
- (i) negotiation with banks and financial institutions and investors for loans (including securitization): up to €10,000,000 per single transaction, all resolutions and authorizations relating to execution of the same to be submitted to the Company's competent bodies;
- (j) loan contracts of any kind with wholly-owned subsidiaries: up to €10,000,000 per single transaction; Group treasury cash pooling contracts and infra-group current account contracts:

within a maximum daily pooling availability of €10,000,000 in the interest of each Subsidiary;

- (k) current and deposit account contracts with banks and post offices, including cash pooling contracts: within a maximum daily pooling availability of €10,000,000 in the interest of each subsidiary;
- (l) applications - including in the interest of subsidiaries – for bank or insurance guarantees, letters of guarantee and undertakings in general, issuance of letters of surety, letters of indemnity, endorsements or letters of patronage: up to €5,000,000 per single transaction;
- (m) underwriting of counter security and indemnity letters: up to €5,000,000 per single deed against guarantees issued by banks in favour of third parties and in the interest of the Company;
- (n) initiation and abandonment of legal action; settlement of litigation in or out-of-court; appointment and revocation of counsel, attorneys and consultants; appointment of arbitrators, also under amiable composition: up to €5,000,000 per single dispute.

Transactions exceeding the aforementioned limits are reserved to the competence of the Board of Directors.

Being the only Board Member with powers of attorney, the CEO can be qualified as the main person in charge of the management of the company.

On 28 May 2014, the Board of Directors confirmed to the Chief Executive Officer the office of Director responsible for the Control and Risk System (see section 11.1 of this Report).

*No Interlocking  
Directorate*

We point out (as already pointed out in section 4.2 of this Report) that there is no interlocking directorate<sup>19</sup> situation.

#### Chairperson of the Board of Directors

*Functions and  
Powers of the  
Chairperson*

The Chairperson of the Board of Directors is vested with legal powers and with the powers specified in the Company's Bylaws, has no executive powers and is responsible for the operation of the Board of Directors, coordination of its activities and provision of information to the Directors.

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<sup>19</sup> See application criterion 2.C.5. of the Self-Regulatory Code.

The Chairperson may propose initiatives that he considers appropriate for increasing the Directors' knowledge of the Company and its operations.

The Chairperson may – with the consent of the other Directors – invite senior managers of the Company or of Subsidiaries, or consultants, to attend meetings of the Board to describe certain specific transactions or technical and operational matters concerning the Company and the Group.

Pursuant to Autogrill Code<sup>20</sup>, the Chairperson of the BoD shall:

- (a) take care that the Board Members receive, usually at least three days before the date fixed for each Board Meeting, the most appropriate documentation concerning the points on the Agenda to allow for an effective participation of the Directors of the Company in the meeting;
- (b) if, in specific cases, it is not possible to provide the documentation as per point (a) above, ensure that adequate and timely<sup>21</sup> investigations are carried out during Board sessions;
- (c) procure that the adequate information flow between the BoD and the other governing bodies of Autogrill is ensured;
- (d) follow, consistently with the programmes approved by the competent boards, the general initiatives for the promotion of the image of the Company;
- (e) represent the Company, in compliance with the resolutions made by the competent boards, in the ordinary and extraordinary meetings of the companies or entities where to the Company is a party, with power to appoint the Company's employees or third parties as special proxies for the exercise of said powers;
- (f) manage the relationships of the Company with national, foreign and supranational authorities, bodies and agencies;
- (g) promote the participation of Directors and Auditors in initiatives aimed at providing them with a greater understanding of the sector in which the Company operates, the regulatory and self-regulatory reference framework and business trends.

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<sup>20</sup> See art. 5 of the Code.

<sup>21</sup> The reference to punctuality was included in the comment to art. 1 of the Self-Regulatory Code.

### Information Reports for the Board

The Board constantly monitors general management performance, with a special focus on the information it receives from the CEO, and periodically checks actual against programmed results.

In particular, at each meeting of the Board of Directors and at least every quarter:

- the CEO or the other Directors with special powers report to the Board and to the statutory auditors on the exercise of their powers;
- the CEO reports on general trends and outlook in the business, on related party transactions and transactions of greater importance carried out by the Company and its Subsidiaries.

Except as stated above with reference to the attendance of the executives at the meetings of the Board of Directors, during the Year, to provide Directors with deeper insights into the operating mechanisms and facts concerning the Company, some managers of the Company and its Subsidiaries have been invited to attend the meetings of the Strategy and Investment Committee and the HR Committee.

The list of the executives that are entitled to attend the meetings of the Control, Risk and Corporate Governance Committee is envisaged by the Committee's regulations available on the Company's website ([www.autogrill.com](http://www.autogrill.com) – Governance section).

#### **4.5. Other Executive Directors**

No Directors on Autogrill's Board of Directors, other than the CEO, may be considered executive.

#### **4.6 Independent Directors**

The Board of Directors, also based on the information received from the same Directors, has assessed – on an annual basis – whether each Board member met the independence requirements and exhaustively informed the market in this regard. The presence of a majority of Independent Directors in the Board of Directors and its Committees is an appropriate way of safeguarding the interests of all Shareholders and stakeholders<sup>22</sup>.

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<sup>22</sup> In this regard, see principle 3.P.2. of the Self-Regulatory Code. In application criterion 3.C.1, the Self-Regulatory Code indicates non-exhaustive parameters the Board may comply with in assessing the independence of its non-Executive Directors.

On 28 May 2014, upon the first available meeting after its appointment, the Board of Directors assessed and ascertained the existence of the independence requirements provided for by the Autogrill Code, as well as the independence requirements established by TUF<sup>23</sup> regarding eight out of the thirteen Board Members in office: Ernesto Albanese, Tommaso Barracco, Francesco Umile Chiappetta, Carolyn Dittmeier, Massimo Fasanella d'Amore di Ruffano, Giorgina Gallo, Stefano Orlando and Neriman Ülsever. The Board of Directors informed the market of the results of its assessments through a statement released on the same date.

*Yearly Assessment  
of the Compliance  
of Board Members  
with Independence  
Requirements*

As provided for by the Self-Regulatory Code – that recommends verifying once a year the independence of Board members – on 10 March 2016 and 9 March 2017, the Board of Directors has once again assessed and verified the compliance of the eight above-listed Board Members with the aforementioned independence requirements.

On 15 March 2015, 10 March 2016 and 9 March 2017, the Board of Statutory Auditors verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to evaluate the independence of its members<sup>24</sup>.

*Meetings of the  
Independent  
Directors*

Independent Directors meet at least once a year in a plenary session chaired by the Lead Independent Director and in the absence of the other Directors to discuss the working of the Board of Directors and governance issues<sup>25</sup>, holding an *ad hoc* meeting, separate from the meetings of the Committees, as recommended in the comment to art. 3 of the Self-Regulatory Code. During the Year, the Independent Directors held a plenary session on 20 January 2016 and 11 February 2016, and then met in a plenary session on 26 January 2017.

#### **4.7 Lead Independent Director**

Meeting on 28 May 2014, the Board of Directors appointed Board Member Mr. Stefano Orlando as the Company's Lead Independent Director<sup>26</sup> responsible for carrying out the tasks provided for by the Self-Regulatory Code<sup>27</sup> and international best practices. In addition to acting as reference point and coordinating the requests and

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<sup>23</sup> See section 3.1(i) of the Autogrill Code and the combined provisions of articles 147-ter, paragraph 4, and 148, paragraph 3, of TUF.

<sup>24</sup> Pursuant to article 15.6 of the Autogrill Code (application criterion 3.C.5. of the Self-Regulatory Code).

<sup>25</sup> In line with the provisions of the application criterion 3.C.6. of the Self-Regulatory Code.

<sup>26</sup> During the same meeting, Mr. Stefano Orlando was also appointed Chairperson of the Human Resources Committee and Co-ordinator of the Related-Party Transaction Committee.

<sup>27</sup> See application criterion 2.C.4. of the Code.

contributions of non-executive directors, and particularly independent directors, the Lead Independent Director cooperates with the Chairperson of the Board of Directors to ensure that directors actually receive complete and prompt information.

## 5. PROCESSING OF CORPORATE INFORMATION

### Privileged Information Procedure

Since 2006, the Board of Directors has adopted a Group procedure for disclosing privileged information to the market.

In this regard, we point out that, during the Year, at the meeting of the Board of Directors on 30 June 2016, a new procedure for the disclosure of privileged information to the market (the “**Privileged Information Procedure**”) was adopted in order to assimilate the regulatory innovations related to the entry into force of the new European market abuse legislation on 3 July 2016, as contained in (EU) Regulation No. 596/2014 on Market Abuse and its implementing regulations (“**MAR**” or “Market Abuse Regulation”).

In particular, the Privileged Information Procedure was adopted in conformity with (i) Chapter 2 and Chapter 3 of MAR, (ii) Part IV, Title III, Chapter I of TUF, and (iii) Part III, Title II, Chapter I and Chapter II, Section I and Part III, Title VII, Chapter I of the Issuers’ Regulations.

The aim of the Privileged Information Procedure – that is available for consultation in the Company’s website ([www.autogrill.com](http://www.autogrill.com) - *Governance* section) – is to govern internal management and external communication of privileged information. According to art. 7, paragraph 1 of MAR, privileged information means any specific information that has not yet been disclosed to the public concerning Autogrill or one of its Subsidiaries, Autogrill stock or any other financial instruments issued by Autogrill or one of its Subsidiaries which, if made public, might materially affect the prices of these financial instruments or the prices of related financial derivative instruments.

In order to ensure equal information for all investors, the events and circumstances that qualify as privileged information - in accordance with applicable laws and regulations - are promptly disclosed by the Company to the market.

In line with current legislation<sup>28</sup>, the Company set up a register containing the names of all individuals and information concerning legal entities, who on account of their occupational or professional activity or of the functions they perform for Autogrill or its

*Register of the  
Persons that may  
access Privileged  
Information*

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<sup>28</sup> See art. 18 of MAR and the (EU) Implementing Regulation No. 2016/347 of the Commission of 10 March 2016 laying down the “implementing technical standards with regard to the precise format of insider lists and for updating insider lists in accordance with Regulation (EU) No. 596/2014 of the European Parliament and of the Council”.

Subsidiaries, have or may have access, regularly or occasionally, to privileged information.

The function in charge of the preparation and updating of this register is the Group's Corporate Affairs Department.

The Company also constantly applies the principles contained in the "Guide to Market Disclosure", which was presented by Borsa Italiana in 2002 and supplements existing provisions of law and regulations.

### Internal Dealing Procedure

In 2006, the Board of Directors adopted an internal dealing procedure whereby relevant persons disclose to the market transactions involving shares and other financial instruments issued by the Company.

In this regard, we point out that, during the Year, at the meeting of the Board of Directors on 30 June 2016, a new internal dealing procedure (the "**Internal Dealing Procedure**") was adopted in order to assimilate the regulatory innovations related to the entry into force of the new European market abuse legislation on 3 July 2016, as contained in MAR.

In particular, the Internal Dealing Procedure was adopted in conformity with (i) art. 19 of MAR, (ii) art. 114 of TUF, and (iii) articles 152-*sexies* - 152-*octies* of the Issuers' Regulations.

#### *Relevant Persons*

The current definition of relevant person, thus obliged to comply with the Internal Dealing Procedure, includes Directors and statutory auditors of Autogrill, subjects who exercise functions of direction and executives who have regular access to privileged information directly or indirectly concerning Autogrill and are authorized to make management decisions that can affect Autogrill's future development and prospects and all persons closely associated to such relevant persons, in accordance with applicable laws and regulations.

Relevant persons and their closely associated persons are prohibited from trading in the Company's shares or debt instruments, as well as in derivative instruments and other related financial instruments in the 30 days before the disclosure to the public of the period financial and economic data that the Company is required to disclose in accordance with applicable law.

The person in charge of receiving, managing and disclosing to the market the information required under the Internal Dealing Procedure is the Group's Corporate Affairs Director.



The Internal Dealing Procedure is available for consultation in the Company's website ([www.autogrill.com](http://www.autogrill.com) - Governance section).

*Procedures for the Internal Management and Public Disclosure of Documents and Information regarding the Company*

As envisaged by the Self-Regulatory Code<sup>29</sup>, the Autogrill Code requires the Chairperson of the Board of Directors, in agreement with the CEO, to propose the Board the adoption of procedures for the internal management and public disclosure of documents and information concerning the Company.

The Company believes that the current Privileged Information Procedure already contains specific provisions for the regulation of the matters under discussion.

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<sup>29</sup> See application criterion 1.C.1.j) of the Code.

## 6. INTERNAL BOARD COMMITTEES

*Committees contemplated by the Self-Regulatory Code*

In compliance with the Self-Regulatory Code, the Board of Directors set up the following Committees:

- (i) a Human Resources Committee, to carry out, *inter alia*, the functions of the Remuneration Committee provided for in the Self-Regulatory Code;
- (ii) a Control, Risk and Corporate Governance Committee, to carry out the functions, *inter alia*, of the Control and Risk Committee specified in the Self-Regulatory Code.

*Other Committees*

In addition to the above, the Board of Directors also set up:

- (iii) a Related-Party Transaction Committee, pursuant to the Related-Party Transaction Regulations; and
- (iv) a Strategy and Investment Committee.

The Committees under (i), (ii) and (iii) above are dealt with in sections 8, 10 and 12, respectively, of this Report.

*The Strategy and Investment Committee*

The Strategy and Investment Committee was set up for the first time on 21 April 2011. Its current members are independent Directors Tommaso Barracco, Massimo Fasanella d'Amore di Ruffano, Giorgina Gallo and non-Executive Director Marco Patuano (Committee Chairperson).

*Functions of the Strategy and Investment Committee*

The Strategy and Investment Committee provides the CEO and Board of Directors with information and advice on Group strategy and investment policies and also on major transactions.

In particular, the Strategy and Investment Committee examines the CEO's proposals to be submitted to the Board of Directors concerning:

- business strategies;
- long-term plans and budgets for the Group and its strategically important operating companies, and major transactions, on which it expresses opinions and/or recommendations;
- annual budget and long-term investment plan and updates thereof and additions thereto;
- the Group's investment policies and updates thereof;
- specific investment projects of particular strategic and/or economic importance.

The Strategy and Investment Committee also monitors implementation of the business strategies and investment programmes approved by the Board of Directors. The Committee's meetings are also attended by the Group's Chief Financial Officer, while other Company and Group executives may be invited by the Chairperson to be involved on specific subjects.

*Budget*

For 2017, the Strategy and Investment Committee will have an available budget of €30,000 for its operation, within the indicative limits of the amount allocated by the Board of Directors at its meeting of 20 December 2016.

*Group's Procedure  
for Capital  
Expenditure*

On 10 June 2015, the Strategy and Investment Committee met to review and approve a new Group's procedure for capital expenditure ("Group Capital Expenditure Policy"), which became advisable because of the increasing centralization of functions and a strengthened presence of the Group in emerging Countries.

The Group Capital Expenditure Policy focuses on three key areas: (a) the management of the pipeline of opportunities, in compliance with strategic guidelines; (b) the evaluation of proposals throughout the entire life cycle of investments; and (c) the involvement of corporate functions in the control and monitoring of the proper implementation of the policy.

Approved by the Board of Directors on 18 June 2015, the new Group Capital Expenditure Policy entered into force on 1 January 2016 and applies to all capital investment proposals exceeding 5 million Euros submitted to the competent evaluation of the Board, as well as to all capital investment proposals pertaining to the Group's CEO based on the allocation of powers.

*Explanations  
concerning the  
Allocation of  
Functions among  
the Committees*

Finally, referring to the recommendation contained in the Self-Regulatory Code<sup>30</sup>, we point out that - except as described in paragraph 7 below of this Report with regard to the Appointment Committee - Autogrill governance does not contemplate any centralization of functions in a single committee or any allocation of the functions other than the distribution among the various committees envisaged in the Self-Regulatory Code.

It should be noted that, in compliance with the application criterion 4.C.1.d) of the Self-Regulatory Code, the meetings of each committee

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<sup>30</sup> See the comment to article 4 of the Code, according to which, in the corporate governance report, the Board of Directors is required to explain the reasons, which have eventually led it not only to gather various functions in a single committee or to reserve said functions to the Board of Directors, but also to distribute otherwise the functions assigned to the different committees.

are verbalized and the chairperson of the committee properly informs the Board of Directors during the first available meeting.

## 7. APPOINTMENT COMMITTEE

*Explanations  
required by the  
"Comply or Explain"  
Principle*

In the light of the "comply or explain" principle<sup>31</sup>, we point out that:

- i. the Board of Directors has not so far deemed it appropriate to set up an Appointment Committee, as contemplated in art. 5 of the Self-Regulatory Code; no reference is actually made in this regard in the Autogrill Code, which expressly requires only the creation of the Human Resources Committee and of the Control, Risk and Corporate Governance Committee (in addition to any other Committee that could be required with the task of presenting proposals or giving advice – see art. 9 of the Autogrill Code);
- ii. said decision was made by the Board of Directors in consideration of the fact that:
  - (a) as expressly indicated even in the comment to art. 5 of the Self-Regulatory Code, the Appointment Committee, which was historically established in systems characterized by a high degree of shareholder dispersion in order to ensure an adequate level of independence of the Directors from the management, particularly as regards issuers with a broad shareholder base – and, therefore, not comparable with the present Autogrill shareholding layout – plays a particularly significant role in identifying candidates for the office of director;
  - (b) to further confirm and guarantee the independence of the Directors from the management, it must be noted that two members of the Board of Directors currently in office were appointed based on a minority list submitted by asset management companies and institutional investors and that eight of the twelve Directors in office fulfil the independence requirements established by the combined provisions of art. 147-ter, paragraph 4, and art. 148, paragraph 3, of TUF, as well as paragraph 3.1 of the Autogrill Code, as better detailed in paragraph 4.6 above of this Report;
  - (c) the decision not to create an internal appointment committee has been confirmed by the Board of

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<sup>31</sup> Principle ratified by paragraph IV of the "Guiding Principles and Transitional Arrangements" section of the Self-Regulatory Code. Please also refer to section 3 above of this Report.

Directors, upon the proposal of the Control, Risk and Corporate Governance Committee, with the unanimous vote of the Directors attending the Meeting of 12 March 2015, 10 March 2016 and 20 December 2016;

- (d) said decision will be periodically evaluated and discussed again in order to take into account not only the concrete needs of the Company, but also the indications that will gradually emerge, *inter alia*, from the annual report on the enforcement of the Self-Regulatory Code, issued by the Corporate Governance Committee and annually published by Borsa Italiana and, more generally, any change in the practice of Italian listed companies in the matter;
- (e) as permitted by the application criterion 4.C.2. of the Self-Regulatory Code, the functions resting on the appointment committee are reserved to the entire Board of Directors, under the coordination of the Chairperson; in this regard, we remind readers that Autogrill governance is perfectly consistent with the instructions contained in the aforementioned application criterion, under which the reservation of jurisdiction to the entire Board of Directors is permitted if:
  - ✓ independent directors represent at least half the Board of Directors;
  - ✓ the Board dedicates specific spaces to the Committees' "investigation" activities during Board meetings; and
  - ✓ only concerning the Control and Risk Committee, the issuer is not controlled by another listed company, or subject to direction and coordination.

However, since, as specified in section 4.1 above of this Report, the Company did not deem it appropriate to adopt a succession plan for Executive Directors, the contribution to the preparation of any such plan is among the activities of the Appointment Committee that are not currently carried out by the Board of Directors.

Furthermore, since the Shareholders' Meeting did not authorize, in general or preventatively, exceptions to the no competition obligation

for Directors, established by art. 2390 of the Civil Code<sup>32</sup>, the Board was not and is not called to perform any evaluation, to be consequently reported during the first Meeting called, concerning any issue or problem for the purpose of that authorization.

Finally, we specify that no difficulties have so far been encountered by the Shareholders in preparing the lists for the appointment of the Board of Directors or by the Board in co-opting directors pursuant to art. 2386 of the Civil Code and art. 10 of the Bylaws.

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<sup>32</sup> See section 4.3 above of this Report.

## 8. HUMAN RESOURCES COMMITTEE

### Composition and Operation of the Human Resources Committee

Main Functions of  
the Human  
Resources  
Committee

The Human Resources Committee carries out functions, which, pursuant to the Self-Regulatory Code, fall within the competence of the Remuneration Committee. In particular, it monitors the alignment between the top management remuneration system and the creation of value for the Company; it is also responsible for the organization and development of human resources and the definition of guidelines for the appointment of the members of corporate bodies in the major subsidiaries.

The operating rules of the HR Committee were last updated on 20 December 2016.

Composition of the  
Human Resources  
Committee

The HR Committee, appointed by the Board of Directors on 28 May 2014, consists of non-Executive, mostly independent<sup>33</sup>, Directors. The Director Mr. Stefano Orlando (the Lead Independent Director who chairs the Committee), the independent Director Mr. Massimo Fasanella d'Amore di Ruffano and the non-Executive Director Mr. Paolo Roverato.

As also reflected in the *curricula vitae* shown in this Report, all the members of the HR Committee have the appropriate expertise in financial issues, as assessed and ascertained by the Board of Directors upon their appointment<sup>34</sup>.

The Directors, and the CEO in particular, abstain from participation in meetings of the HR Committee where proposals regarding their respective remuneration<sup>35</sup> are submitted to the Board of Directors.

Participation in the  
Committee's  
Meetings

Provided that no Director takes part in the meetings during which proposals are submitted to the Board of Directors concerning his/her remuneration, the Chairperson of the Board of Directors and the Chief Executive Officer of the Company are normally invited to attend the meetings of the Human Resources Committee.

Furthermore, the meetings of the HR Committee are attended by the Group HR & Organization Director and, upon invitation from the Chairperson, the Company and Group Managers are involved when specific matters are discussed. The Chairperson of the Board of

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<sup>33</sup> In line with the recommendation set forth in principle 6.P.3. of the Self-Regulatory Code, whereby the HR Committee may be composed of a majority of independent directors provided that, as in this case, the chair of the aforesaid HR Committee is also chosen from among independent directors.

<sup>34</sup> See again, in this regard, principle 6.P.3. of the Self-Regulatory Code.

<sup>35</sup> In accordance with application criterion 6.C.6. of the Self-Regulatory Code.



Statutory Auditors is also invited to attend the meetings of the HR Committee, and he/she may delegate another Standing Auditor for the purpose.

### Functions of the Human Resources Committee

As anticipated, the functions of the Human Resources Committee include those of a "remuneration committee", as outlined in the Self-Regulatory Code, since it has investigation, consulting and proposition functions *vis-à-vis* the Board of Directors.

In particular, pursuant to the Autogrill Code<sup>36</sup>, the HR Committee shall:

- (i) submit proposals to the Board of Directors for the definition of a general policy for the remuneration of the Chairperson of the Board of Directors, Executive Directors, Company Directors with special tasks, executives with strategic responsibilities, as well as the top management of the Company and the Group, including with the purpose of assisting the BoD in the preparation of the Remuneration Report to be submitted to the Meeting on an annual basis, and periodically assess the appropriateness, global consistency and actual implementation of the general remuneration policy approved by the Board;
- (ii) submit proposals to the BoD for the global remuneration of the Chairperson of the Board of Directors, CEO, Company Directors with special tasks, executives with strategic responsibilities (by using, for this purpose, the information provided by the CEO) and, upon the CEO's proposal, for the determination of the criteria for the remuneration of the top management of the Company and the Group, including the related performance objectives associated with the variable component of said remuneration;
- (iii) monitor the implementation of the decisions adopted by the Board and ensure, in particular, the actual achievement of performance objectives;
- (iv) review any monetary or share incentive plan for the Company's and Group's employees, the criteria for the composition of the governing bodies of the Subsidiaries of strategic importance and the strategic development policies of the human resources.

In the light of the "comply or explain"<sup>37</sup> principle, we point out that:

*Explanations  
required by the  
"Comply or Explain"  
Principle*

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<sup>36</sup> See paragraph 10.1(a) of the Autogrill Code.

- (a) the Board of Directors did not deem it appropriate to entrust the HR Committee with the further task of submitting proposals regarding the remuneration of Directors in general (beyond Executive Directors, the Chairperson and the other Directors with special tasks)<sup>38</sup>;
- (b) said decision was made in connection with the fact that the determination of general Directors' fees falls under the competence of the Shareholders' Meeting and that in the practice followed to date within the framework of the meetings resolving the renewal of Autogrill's Board of Directors each proposal in that regard was always submitted by one or more Shareholders;
- (c) the decision to partially diverge from the Self-Regulatory Code, which was taken through a Board resolution on 20 December 2012, has been confirmed by the Board of Directors, upon the proposal of the Control, Risk and Corporate Governance Committee, with the unanimous vote of the Directors attending the Meeting of 12 March 2015, 10 March 2016 and 20 December 2016; and
- (d) said decision will be periodically evaluated and discussed again in order to take into account not only the concrete needs of the Company, but also any indications that will gradually emerge, *inter alia*, from the annual report on the enforcement of the Self-Regulatory Code, issued by the Corporate Governance Committee and from the format for the corporate governance and ownership report annually published by Borsa Italiana and, more generally, any change in the practice of Italian listed companies in the matter.

The Related-Party Transaction (RPT) procedure adopted by the Board of Directors (see section 12 below of this Report) allows for the exemption of resolutions concerning the remuneration of Directors and other executives with strategic responsibilities from the application of the provisions of the Related-Party Transaction Regulations and from the RPT Procedure itself provided that (i) the Company has adopted a remuneration policy; (ii) a committee of exclusively non-Executive Directors of whom a majority are independent (Human Resources Committee) is involved in the

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<sup>37</sup> Principle ratified by paragraph IV of the "Guiding Principles and Transitional Arrangements" section of the Self-Regulatory Code. In this regard, see section 3 above of this Report and its footnotes.

<sup>38</sup> As required by principle 6.P.4. of the Self-Regulatory Code.

definition of the remuneration policy; (iii) a report illustrating the remuneration policy has been submitted to the approval or consultative vote of the Shareholders' Meeting; (iv) the remuneration assigned is in line with such policy.

*Access to  
Information and  
Business Functions*

The HR Committee may access information and business functions in the course of its duties and also use external consultants, at the Company's expense and within the limits set by the Board, provided they make sure such consultants are not in situations that might compromise their independence of judgement.

*Report to Corporate  
Bodies*

The HR Committee's chair reports to the first available meeting of the Board of Directors on each meeting held by the HR Committee.

At the Company's Annual General Meeting, the HR Committee or the Board, based on the Committee's indications, reports on the aforesaid remuneration policies and the HR Committee, through its chairperson or another member, reports on how its functions are carried out.

*Meetings and  
Activities in 2016  
and 2017*

During 2016, the HR Committee met 6 times (with an average duration of approx. 1 hour and a half) to examine and propose the following to the Board of Directors: (i) the definition of the three-year objectives of the MBO "hybrid" incentive scheme (Senior Executive MBO Plan 2016, aka "SEMP 2016") for the CEO, Chief Internal Audit Executive, executives with strategic responsibilities and top managers; said objectives were defined consistently with the guidelines provided by the Board of Directors and by the same Committee, as well as with the economic and financial objectives in terms of budget and financial projections. In said context, the proposals of the management with regard to the annual individual objectives of the SEMP 2016 incentive scheme, consistently with the guidelines provided by the Board of Directors and by the same Committee, were particularly assessed; (ii) in particular, the proposals of the annual objectives related to the SEMP 2016 incentive scheme for the CEO, for the Financial Reporting Manager and, after hearing the Control, Risk and Corporate Governance Committee, for the Chief Internal Audit Executive; (iii) the evaluation of the level of achievement of individual objectives of the SEMP 2015 incentive scheme and, more specifically, those regarding the CEO, the Financial Reporting Manager and, after hearing the Control, Risk and Corporate Governance Committee, the Chief Internal Audit Executive; (iv) the evaluation concerning the introduction of the long-term incentive plan called *Phantom Stock Option Plan 2016* and consisting of three *Waves*; (v) the performance of the *Wave 1* of the above-mentioned plan (2016-2018) as regards especially the Chief

Executive Officer; (vi) the evaluation concerning the level of achievement of the *Wave 1* performance condition of the long-term incentive plan called *Phantom Stock Option Plan 2014*; and (vii) the proposal to hire four executives.

The HR Committee has also carried out the following activities: (i) assessment of the organizational changes regarding the Business Units of the Group aimed at facilitating the implementation of the necessary actions to achieve the growth objectives in terms of profitability, investments and revenue indicated in the financial projections; (ii) assessment of the organizational changes regarding Group key positions, the assessment of key managers and the related succession plan for each Business Unit of the Group; (iii) analysis of salary trends aimed at evaluating merit remuneration variations for executives with strategic responsibilities and top managers.

During the first months of 2017 – until the date of this Report –, the Human Resources Committee met 3 times (with an average duration of the meetings of approximately 1 hour and a half) to examine and propose the following to the Board of Directors: (i) the definition of the three-year objectives of the MBO “hybrid” incentive scheme (*Senior Executive MBO Plan 2017*, aka “SEMP 2017”) for the CEO, Chief Internal Audit Executive, executives with strategic responsibilities and top managers; said objectives were defined consistently with the guidelines provided by the Board of Directors and by the same Committee, as well as with the economic and financial objectives in terms of budget and industrial plan. In said context, the proposals of the management with regard to the annual individual objectives of the SEMP 2017 incentive scheme, consistently with the guidelines provided by the Board of Directors and by the same Committee, were particularly assessed; (ii) in particular, the proposals of the annual objectives related to the SEMP 2017 incentive scheme for the CEO, for the Financial Reporting Manager and, after hearing the Control, Risk and Corporate Governance Committee, for the Chief Internal Audit Executive; (iii) the evaluation of the level of achievement of individual objectives of the SEMP 2016 incentive scheme and, more specifically, those regarding the CEO, the Financial Reporting Manager and, after hearing the Control, Risk and Corporate Governance Committee, the Chief Internal Audit Executive; (iv) the preparation of the Remuneration Report for the year 2016, pursuant to art. 123-ter of TUF and art. 84-*quater* of the Issuers’ Regulations, approved by the Board of Directors on 9 March 2017 and made available at the Company's registered office and the Company's website as required by the law.

The actual participation of each member in the meetings of the HR Committee for the year 2016 is detailed in Table 2 provided in the Appendix.

An approximate number of 6 HR Committee meetings, 3 of which have already been held at the date of this Report, is expected for 2017.

The meetings of the HR Committee and their resolutions are duly recorded in the minutes.

In carrying out its functions the HR Committee is assisted on technical aspects by the Group HR & Organization Director and experts in the sector or Group executives invited from time to time to take part in meetings.

The Board of Directors allocated 30,000 Euros for the operating costs of the HR Committee over the year 2016. For 2017, the same Human Resources Committee will have an available budget of 30,000 Euros for its operation, within the indicative limits of the amount allocated by the Board of Directors at its meeting of 20 December 2016.

For further information on the composition and functions of the Human Resources Committee, see the Committee's regulations and the Remuneration Report, both available at the Company's registered office and on its website ([www.autogrill.com](http://www.autogrill.com) – *Governance* section).

## 9. DIRECTORS' REMUNERATION

### General Remuneration Policy

*Law and Statutory Provisions*

According to the Bylaws, the Shareholders' Meeting decides on the Company's remuneration policies for Board members, general managers and executives with strategic responsibilities, as well as on the procedures used for adopting and implementing said policies<sup>39</sup>.

Pursuant to art. 123-ter, paragraph 6, TUF, the resolutions that the Shareholders' Meeting must adopt regarding the Company remuneration policies are not binding and must be limited to expressing a favourable or unfavourable opinion on such policies and their adoption and implementation.

For further information concerning the general remuneration policy adopted by Autogrill, see the Remuneration Report available at the Company's registered office and on its website ([www.autogrill.com](http://www.autogrill.com) – Governance section).

*Provisions of the Autogrill Code*

In line with the provisions of the Self-Regulatory Code, the Autogrill Code<sup>40</sup> prescribes that the Company's policy for the remuneration of executive Directors or Directors holding particular offices is defined by the Board of Directors in compliance with the following criteria: (a) the fixed component and the variable component are adequately balanced in accordance with the Company's strategic objectives and risk management policy, also taking into account the business sector in which the Company operates and the characteristics of the business activity actually carried out; (b) maximum limits for variable components are envisaged; (C) the fixed component is sufficient to remunerate the services of the Chief Executive Officer if the variable component is not disbursed due to the failure to achieve the performance targets indicated by the Board of Directors; (d) performance targets – i.e. the economic results and any other specific objectives associated to the provision of variable components (including the objectives defined for equity-based remuneration plans) – are predetermined, measurable and linked to the creation of value for the shareholders over a medium to long term period; (e) the payment of a significant portion of the variable component of the remuneration is deferred to an appropriate date with respect to the

<sup>39</sup> Art. 11 of the Bylaws was amended on 21 April 2011 to reflect the combined provisions of art. 123-ter, paragraphs 3 and 6, of TUF.

<sup>40</sup> See paragraph 10.3(a) of the Autogrill Code.

maturity date; the extent of that portion and the length of deferral are consistent with the characteristics of the Company's business and the related risk profiles; (f) contractual agreements are provided so as to permit Autogrill to ask for the refund, in whole or in part, of variable components of the remuneration paid (or to withhold sums subject to deferment), determined based on data that have later proved to be manifestly wrong<sup>41</sup>.

The Autogrill Code further provides that the allowance planned for the termination of the management relationship, if any, is defined so that its total amount does not exceed a specified amount or number of years of remuneration and that such allowance is not paid if the termination of employment is due to the attainment of objectively inadequate results that may be attributed to the Director<sup>42</sup>.

#### Equity-Based Remuneration Plans

As previously mentioned, the Stock Option Plan is still in force at the date of this Report. Under this plan, 183,571 matured options, of which 136,947 held by executives with strategic responsibilities, each giving the right to subscribe or purchase one Autogrill's share, may be exercised not later than 30 April 2018. In this connection, please refer to paragraph 2(a) of this Report, as well as to the Information Document, the Remuneration Report and the draft budget of Autogrill as at 31 December 2016; all of them available at the Company's registered office and in its website ([www.autogrill.com](http://www.autogrill.com) – Governance Section).

For the purposes of the provisions of the Self-Regulatory Code<sup>43</sup>, we point out especially that:

- (a) the options granted under the aforementioned Stock Option Plan had a vesting period of four years (the exercise period will expire on 30 April 2018);
- (b) the maturation mentioned in point (a) above was subject to predetermined and measurable performance objectives;
- (c) the options granted under the Stock Option Plan may not be transferred *inter vivos*.

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<sup>41</sup> See paragraph 10.3(a)(vi) of the Autogrill Code. This provision literally reproduces the text of the application criterion 6.C.1.f) of the Self-Regulatory Code.

<sup>42</sup> See paragraph 10.3(a)(vii) of the Autogrill Code assimilating the application criterion 6.C.1.g) of the Self-Regulatory Code.

<sup>43</sup> See the application criterion 6.C.2. of the Code.

### Remuneration of the CEO, Directors and Executives with Strategic Responsibilities

For information on the remuneration of the CEO, as well as of the Directors and executives with strategic responsibilities of the Company and its Subsidiaries, see the Remuneration Report available at the Company's registered office and on its website ([www.autogrill.com](http://www.autogrill.com) – Governance Section). The Remuneration Report also contains information about the incentive plans based on *phantom stock options*, such as: (i) the "2014 Phantom Stock Option Plan" that was approved by the Shareholders' Meeting on 28 May 2014 and (ii) the "2016 Phantom Stock Option Plan" approved by the Shareholders' Meeting on 26 May 2016.

It should be noted that the Chief Executive Officer and the executives with strategic responsibilities have a significant part of the remuneration associated with the achievement of specific performance targets, including those of a non-economic nature, which have previously been identified and determined in accordance with the guidelines contained in the general remuneration policy defined by the Board of Directors.

### Incentive Mechanisms for the Person in charge of the Internal Audit Function and the Financial Reporting Manager

In defining the short- and long-term incentive schemes for the Chief Internal Audit Executive and the Financial Reporting Manager special attention was paid to balancing qualitative and economic and financial objectives, in consideration of their roles<sup>44</sup>.

### Remuneration of non-Executive Directors

The remuneration of non-Executive Directors is not tied to the Company's economic results and such Directors are not eligible for inclusion in equity-based incentive plans.

As resolved at the Shareholders' Meeting held on 28 May 2014, each Director is entitled to a fixed annual remuneration of €50,000 for the office, in addition to a fee of €600 for each Board and Shareholder meeting attended.

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<sup>44</sup> In line with the application criterion 6.C.3. of the Self-Regulatory Code.



Each member of the Control, Risk and Corporate Governance Committee, Human Resources and Strategy and Investment Committees is entitled to an additional annual remuneration of €20,000; each member of the Related-Party Transaction Committee is entitled to an additional annual remuneration of 10,000 Euros.

Each member of any Committee is also entitled to €600 for each meeting of the corresponding Committee attended.

The Remuneration Report also indicates the amount of the fees paid to each Director during 2016.

For further information on the Directors' remuneration, see the Remuneration Report available at the Company's registered office and on its website ([www.autogrill.com](http://www.autogrill.com) – Governance Section).

*Directors' Indemnity in the Event of Resignation, Dismissal or Termination of the Relationship following a Take-Over Bid*

Regarding Directors' indemnity in the event of resignation, dismissal or termination of the relationship following a take-over bid, the contract disciplining the relationship between the CEO and the Company provides that, in case of said relationship being terminated for cause by the CEO or without cause by the Company, the Company must make up the indemnity for lack of notice (provided for in the collective employment contract for executives in the commercial sector) to €2m, if said indemnity is less than that amount.

In any event of discontinuation of office or revocation of powers, the CEO will retain the right to be paid the variable emoluments relating to the incentive plans in which he participates subject to achievement of the relevant objectives and all other conditions provided for in each plan or programme and in proportion to the service rendered during the period in question.

In the case of executives with strategic responsibilities, all rights acquired under incentive plans are forfeited in the event of discontinuation for cause, justifiable subjective reasons or voluntary resignation ("bad leaver").

In the event of discontinuation for a justifiable, objective reason or retirement, executives with strategic responsibility are entitled to remain beneficiaries of incentive plans on a *pro-rata* basis ("good leaver").

*Indemnities of  
Executives with  
Strategic  
Responsibilities*

We point out that, during the Business Year, Autogrill experienced no cases of termination of an executive Director or managing director; in which cases the Autogrill Code states that the Company must provide detailed information, through an announcement to be disclosed to the market, upon completion of the internal processes leading to the award or the recognition of indemnities and/or other benefits.

## 10. CONTROL, RISK AND CORPORATE GOVERNANCE COMMITTEE

### Composition and Tasks of the Control, Risk and Corporate Governance Committee

Under the Autogrill Code, the Company has a Control, Risk and Corporate Governance Committee, which carries out the consultative and advisory functions that the Self-Regulatory Code assigns to the Control and Risk Committee.

*Main Functions of the Control, Risk and Corporate Governance Committee*

Therefore, the Control, Risk and Corporate Governance Committee's task is to analyse problems and propose decisions for an efficient and effective operation of the Control and Risk System of the Autogrill Company and Group. The Control, Risk and Corporate Governance Committee is also invested with consultative and advisory functions in relation to the adoption of corporate governance rules by the Company and the Group.

*Composition of the Committee*

On 28 May 2014, the Board of Directors in office appointed as members of the Control, Risk and Corporate Governance Committee the independent Directors Ms. Carolyn Dittmeier (Chairperson of the Committee) and Mr. Francesco Umile Chiappetta, proposed from the list of minority shareholders, as well as the non-executive Director Mr. Paolo Roverato.

In compliance with the Self-Regulatory Code<sup>45</sup>, the Control, Risk and Corporate Governance Committee is made up of non-executive, mostly independent, Directors. As also reflected in the *curricula vitae* shown in this Report, all its members have an adequate experience in accounting and finance or risk management issues, as assessed and ascertained by the Board of Directors upon their appointment.

*Charter*

The Control, Risk and Corporate Governance Committee's Charter, last updated by the Board of Directors on 20 December 2016, contains detailed regulations for the operation of the Committee. It is available in the Company's website ([www.autogrill.com](http://www.autogrill.com) - Governance section) and is annually reviewed by the Committee.

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<sup>45</sup> See principle 7.P.4. of the Self-Regulatory Code, whereby the Committee may be composed of non-executive and mostly independent directors provided that, as in this case: (i) the chairperson of the Committee is also selected from among independent directors; (ii) the issuer is not controlled by another listed company; and (iii) the issuer is not directed or coordinated by another entity.

Functions assigned to the Control, Risk and Corporate Governance Committee according to its operating regulations

The mandate of the Control, Risk and Corporate Governance Committee is to support the Board of Directors' assessments and decisions with appropriate investigation activities regarding the Control and Risk System and the Corporate Governance of the Company and Group.

More specifically, the Autogrill Code<sup>46</sup>, as implemented by the operating regulations of the Control, Risk and Corporate Governance Committee, requires the Control, Risk and Corporate Governance Committee to:

- (a) support the Board of Directors in performing its tasks within the Control and Risk Management System;
- (b) upon the Control and Risk Management System Director's request, express opinions concerning specific aspects related to the identification of the main corporate risks, as well as to the design, implementation and maintenance of the Control and Risk Management System;
- (c) evaluate the work plan prepared by the Chief Internal Audit Executive, examine the periodic reports prepared by the Chief Internal Audit Executive and monitor the independence, appropriateness, effectiveness and efficiency of the internal audit function;
- (d) evaluate, together with the Financial Reporting Manager, after listening to the opinion of the legal auditor and the Board of Statutory Auditors, the appropriateness of the accounting principles adopted, their correct use and consistency for reporting purposes (financial statement and consolidated financial statement);
- (e) report to the Board of Directors at least on a six-monthly basis when the annual and mid-year financial report is approved, on the activity carried out and on the appropriateness of the Control and Risk Management System;
- (f) ask the internal audit function to check and review specific operating areas and promptly notify the Chairperson of the Board of Statutory Auditors;

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<sup>46</sup> See section 12.2 of the Autogrill Code that is in line with application criterion 7.C.2. of the Self-Regulatory Code.

- (g) carry out all the additional tasks assigned by the Board of Directors;
- (h) support with the adequate investigation activities the Board of Directors' decisions concerning the approval of periodic financial reports;
- (i) support with the adequate investigation activities the Board of Directors' evaluations and decisions concerning the management of risks deriving from detrimental events of which the Board of Directors has become aware<sup>47</sup>;
- (j) express its opinion to the Board of Directors concerning the Report on Corporate Governance and Ownership Structure, also for the purpose of describing the characteristics of the Control and Risk Management System and the evaluation of its appropriateness.

*Meetings and  
Activities in 2016  
and 2017*

During the Year, the Control, Risk and Corporate Governance Committee met 10 times (average length of meeting: approx. 3 hours), regularly accessed the corporate information required and, *inter alia*, examined:

- the proposal of Group's audit plan 2016, subsequently approved by the Board of Directors, and the quarterly report on the significant results of the activity carried out by the Internal Audit function during 2016;
- the Activity Plan 2016 of the Enterprise Risk Management function, and then the results of said activity;
- the continuous updating of the quarterly risk profile;
- some aspects highlighting the progress of the Control and Risk System (including the updating of some aspects constituting the internal environment, specific focus on the evolution of each major business unit as regards governance, controls and risks and focus on some significant areas or processes with regard to controls and risks);
- the reports on the activity of the Supervisory Body;
- the activity and organizational structure of HMSHost North America's and HMSHost International's Internal Audit function;
- the proposal to revise the Group's Code of Ethics;

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<sup>47</sup> This provision is consistent with the application criterion 7.C.2. of the Self-Regulatory Code.

- the proposal to adopt a policy on the use and management of the Autogrill Group's violation reporting system (whistle-blowing policy);
- the proposal for a new procedure for the disclosure of privileged information to the market and a new Internal Dealing procedure;
- the proposal to amend Autogrill's Self-Regulatory Code.

The Committee also took note of the changes in international accounting standards.

During 2017, the Control, Risk and Corporate Governance Committee has so far met 3 times at the date of this Report and has mainly:

- ✓ examined the methods and assumptions used to perform the "impairment test" on the goodwill recorded in the consolidated financial statements and company financial statements of Autogrill S.p.A. and on the value of the participating interest directly referred to Autogrill S.p.A.;
- ✓ in the light of what was stated by the Financial Reporting Manager, after having heard the Board of Statutory Auditors and the Independent Auditors, it has acknowledged the correct and consistent use of accounting standards to draw up the annual accounts and consolidated financial statements for 2016;
- ✓ examined the 2016 annual report on the activities of the Internal Audit department and the 2017 annual Audit Plan;
- ✓ approved the report on the Committee's activities for 2016;
- ✓ reviewed the 2017 activity plan of the Enterprise Risk Management function that also includes an update to Model 231;
- ✓ examined the progress of the statutory audit plan of the annual accounts and consolidated financial statements for 2016;
- ✓ reviewed the report of the Financial Reporting Manager, pursuant to Law No. 262/2005, as regards the report for the year 2016 (as well as for the first half of 2016);
- ✓ expressed its opinion to the Board of Directors regarding this report on Corporate Governance, also for the purposes of the description of the features of the Control and Risk Management System and the assessment of its adequacy.

For 2017, ten meetings are scheduled, including those already held as at the date of this report.

Minutes are prepared for each meeting held by the Control, Risk and Corporate Governance Committee. The Control, Risk and Corporate Governance Committee's chair reports to the first available meeting of the Board of Directors on each meeting held by the Committee.

*Participation in the  
Committee's  
Meetings*

The Control, Risk and Corporate Governance Director, the Financial Reporting Manager, the Chief Internal Audit Executive, the Enterprise Risk Manager, the Chairperson of the Board of Statutory Auditors or another auditor designated by him/her are all entitled to take part in the Control, Risk and Corporate Governance Committee's meetings; for specific subjects, however, other members of the Board of Statutory Auditors, as well as the Company's and Group's Managers and Directors may be invited as well. The Chairperson of the Board of Directors and the Chief Executive Officer are generally invited to attend.

In performing its tasks, the Control, Risk and Corporate Governance Committee may use the help of Autogrill's and the Group's partners within the limits of the budget allocated to the Committee's operating costs.

The actual attendance of each member of the Control, Risk and Corporate Governance Committee in the meetings held during 2016 is detailed in Table 2 in the appendix.

The Control, Risk and Corporate Governance Committee is entitled to access the information and business functions required to carry out its task.

*Budget*

During its meeting held on 17 December 2015, the Board of Directors allocated €30,000 to the Control, Risk and Corporate Governance Committee for the fulfilment of its tasks in the Business Year. For the year 2017, the same Control, Risk and Corporate Governance Committee will be allocated 30,000 Euros, within the limits of the annual budget allocated by the Board of Directors during its meeting on 20 December 2016.

## 11. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

### Foreword

Please note that the Company has adopted the Autogrill Code, which outlines, *inter alia*, the guidelines for the internal control system.

The Control and Risk Management System adopted by Autogrill is the sum of the rules, procedures and organizational structures designed to promote – by means of an appropriate system of identification, measurement, management and monitoring of the main risks – company management that is sound, correct and in line with strategic objectives.

More specifically, pursuant to the Autogrill Code<sup>48</sup>, an effective internal control and risk management system contributes to:

- (a) monitor the efficiency, knowledgeability and auditability of corporate operations and, in general, ensure the correctness and reliability of the Company's and the Group's corporate governance and business management;
- (b) ensure and control the quality and reliability of accounting and management information and, in general, of any information provided to corporate bodies and to the market<sup>49</sup>, also through the auditing of their recording processes and of information flows;
- (c) ensure and monitor the compliance with the principles of the Code of Ethics and, in general, with the applicable legislation and regulations, as well as the compliance with the Company's Articles of Association and internal procedures;
- (d) ensure the implementation of and compliance with the Model and instructions of the Supervisory Board;
- (e) ensure the protection of the Company's assets, as well as the efficiency and effectiveness of business processes.

The operating responsibilities for the conduction of Autogrill's Control and Risk Management System are in line with international best

*Alignment with  
International Best  
Practices*

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<sup>48</sup> See section 11.2 of the Code.

<sup>49</sup> Also in this respect, the Autogrill Code reflects what is now stated in principle 7.P.2. of the Self-Regulatory Code.



practices, consistently with the three control level principle, and more specifically:

- (a) a “primary level control” on corporate processes carried out by each business unit, and therefore Line Managers, thus becoming an integral part of each corporate process;
- (b) a “secondary level control” entrusted to specific functions, distinct from operational functions, that support the Line Management in the development of the Control and Risk Management System and its good operation;
- (c) a “third level control” performed by the Internal Audit function.

*Principle of  
Responsibility*

As laid down in its Code of Ethics and in the Autogrill Code<sup>50</sup>, Autogrill takes measures aimed at developing the principle of responsibility vested in all controlled subjects and setting up a control system appropriate to its business, wherever it operates.

Autogrill takes steps to promulgate, throughout the Group and at all levels, the idea that a proper internal control and risk management system is an indispensable condition for the attainment of its business objectives.

*Enterprise Risk  
Management  
Guidelines*

The presence of an organizational Enterprise Risk Management function at Group level also pursues the objective of ensuring an organic identification and management of risks by the various business units that make up the Group.

On 12 November 2015, having heard the opinion of the Control, Risk and Corporate Governance Committee, the Board of Directors approved the *ERM Group Guidelines* that formalized the governance model to support the evaluation of the overall risk profile and the adequacy of the already existing risk management system. This model is an accountability system at Group level and provides a management tool aimed at supporting decision-making processes through the clarification of the elements of risk and uncertainty and the determination of the relevant reactions.

*“Open Line –  
Autogrill Ethics and  
Compliance  
Reporting Tool”*

It should be noted that, based on the needs highlighted by the legislation, the Self-Regulatory Code<sup>51</sup> and the national and

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<sup>50</sup> See paragraph 11.5 of the Autogrill Code.

<sup>51</sup> Please note that the comment to art. 7 of the Self-Regulatory Code reads: “The Committee believes that, at least in the issuing companies listed on the FTSE-MIB index, an adequate internal control and risk management system should be provided with an internal reporting system allowing the employees to report any irregularities or violations of applicable law and internal procedures (the so-called whistle-blowing

international practice with regard to the code of ethics, anti-corruption policy and whistle-blowing, on 14 April 2016, the Board of Directors acknowledged the opportunity to implement a new tool called "*Open Line - Autogrill Ethics and Compliance Reporting Tool*" designed to allow each employee of the Autogrill Group to report - via the web – any colleague's behaviour that is not in line with the ethical principles of the Company and the Group or, *vice versa*, any particularly virtuous behaviour, also in order to foster the dialogue between the employees of the Group and the Company.

*Policy on the Use  
and Management  
of Autogrill Group's  
Violation Reporting  
System*

During its meeting on 30 June 2016, the Board of Directors approved a procedure called "Policy on the use and management of Autogrill Group's violation reporting system", which will be mandatory for the entire Autogrill Group, upon adoption by the respective management bodies of each Group company.

### Main Characteristics of Risk Management Systems

#### Purpose and Objectives

The risk management model is based on the systematic and structured identification, analysis and measurement of risk areas capable of affecting the achievement of strategic objectives, this model supports the Management and Board of Directors in decision-making processes, in the assessment of the global risk exposure of the Company and Group, in defining the appropriate mitigation actions, thus contributing to reduce the degree of volatility of preset objectives and, as a consequence, assess the nature and level of risks to ascertain their compatibility with the strategic objectives of the Company.

#### Roles and Functions involved

The Control and Risk Management System Director defines the tools and procedures for the implementation of the Control and Risk Management System in compliance with the indications of the Board of Directors and ensures their dissemination to all the business units of the Company and Subsidiaries, providing policy and coordination guidelines, particularly through the dedicated Enterprise Risk Management Function of the Group.

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*systems) in line with the best practices existing at national and international level, ensuring a specific and confidential information channel, as well as the anonymity of the reporting person".*

The managers of each business unit of the Group are responsible for the systematic risk identification, measurement, management and monitoring process, as well as the definition of the related countermeasures, according to the model and Group policies specified below.

For a review of the operation of the Control and Risk System, the Board of Directors uses the Financial Reporting Manager, the Chief Internal Audit Executive and the Supervisory Body (for the matters concerning the organizational model required by Leg. Dec. 231/2001), while the Control, Risk and Corporate Governance Committee supports the Board for the matters falling within its competence.

The supervision and control functions to be carried out by the Board of Statutory Auditors by law remain, while auditing activities are performed by an Auditing Company, as required by the Italian legislation.

#### Methodological Approach

The *Enterprise Risk Management* model of Autogrill:

- is based on a global approach to all the potential risk areas and opportunities, focussing on those that are potentially more significant in terms of possible impact on the achievement of strategic objectives or on the value of the company's equity;
- is based on the self-assessment of the risk profile by the Management of the Group;
- uses a quantitative determination of the impact of each individual risk event with respect to income/financial/equity metrics, while, where said determination is not feasible, it uses prioritization scales based on reputational impacts or on the efficiency/continuity of corporate processes;
- provides for a process of sharing and discussing issues within the first management line (C Level), governed by the ERM Group guidelines;
- contemplates a regular monitoring of response measures to the risks identified and of the evolution of risks in terms of likelihood and impact assessment;
- pursues objectives of progressive integration in decision-making and business processes;

- requires a reporting flow towards the top management and a periodic reporting of the *Enterprise Risk Management* function to the Control, Risk and Corporate Governance Committee and to the Board of Directors.

Two main categories of risk are identified in the Autogrill Group's risk model: strategic risks, which include business risks, financial risks and governance and compliance risks, and operational risks, which include the risks associated with corporate processes (human resources, operations, information technology, operational planning).

Management of the legal and non-compliance risk is one of the activities carried out by those who play a first level control role.

The adopted approach provides, *inter alia*, for risk analysis as part of the strategic planning and investment assessment process with the analysis of volatility and risk management plans that highlight the limits of willingness to accept risk ("risk appetite") shared by the Board of Directors.

#### Main Characteristics of the Risk Management and Internal Control Systems existing in connection with the Financial Disclosure Process

##### Purposes and Objectives

Within the framework of the Control and Risk Management System, as regards financial disclosure, the Compliance Model (the "**Law 262 Model**") plays a particularly important role. The Company implemented this Model within the framework of the alignment process with the Investor Protection Law and regularly updated it ever since after any change in the legislation or regulations and based on the Group's trends.

The goal of the Law 262 Model is to significantly mitigate risk in terms of accountability, reliability, accuracy and promptness of the financial disclosures of the Autogrill Group.

##### Main regulatory References and Reference Models

The Law 262 Model adopted is consistent with national and international best practices, such as the CoSO framework, the COBIT for SOX (referring to the IT control environment), Confindustria guidelines and Assonime information notes.

##### Roles and Functions involved

In the organizational layout of the Autogrill Group, the activities of implementation, maintenance and development of the Law 262 Model to be prepared for financial reporting purposes are indicated in detail.

*Chief Executive  
Officer and  
Financial Reporting  
Manager*

The CEO – also in his capacity as Control and Risk Management System Director – and the Financial Reporting Manager ensure the implementation and the continuous management of the Control and Risk System concerning the financial reporting process by providing guidelines to the Group and specific administrative/accounting procedures, including the Group’s Accounting Manual, with the support of the central function dedicated to the implementation and maintenance of the Law 262 Model (L.262 Compliance Office).

*Operational  
Managers*

The primary responsibility for control activities is assigned to operational managers at the different levels of the organization, with special responsibilities for the Chief Executive Officer/Chief Operating Officers and Chief Finance Officers of the Reporting Units, who, at least every six months, certify the adequacy and effective implementation of reporting procedures to the CEO and to the Financial Reporting Manager.

*Board of Directors*

The Board of Directors evaluates the appropriateness of the organizational, administrative and accounting layout of the Group, approves the policies of the Control and Risk System and supervises the Financial Reporting Manager to ensure that he/she is provided with adequate powers and instruments for the preparation of financial reports.

*Control, Risk and  
Corporate  
Governance  
Committee*

The Control, Risk and Corporate Governance Committee supports the evaluations and decisions of the Board of Directors concerning the Control and Risk System and the approval of periodic financial reports, with specific reference to the use of accounting principles.

The Control, Risk and Corporate Governance Committee met 10 times during the year 2016.

Consistently with Law 262 Model, the Financial Reporting Manager, at least on a six-monthly basis, reports to the Control, Risk and Corporate Governance Committee, Board of Auditors and Board of Directors on the compliance activities carried out.

The Internal Audit function helps the Financial Reporting Manager monitor the design and operational effectiveness of the most significant audits and provides said governance and control bodies with an independent opinion on the appropriateness and actual operation of the Law 262 Model.

## Methodological Approach

On an annual basis, Autogrill updates the scope of the analysis of the administrative/accounting audits – the so-called Scoping –, determined on the basis of both quantitative – based on the significance of each Reporting Unit of the Group and the different consolidated financial statement accounts – and qualitative considerations, that consider the structure of the Group and the characteristics of specific balance sheet items.

Consistently with national and international best practices, the Group adopted a complex methodological approach for the analyses that each Reporting Unit involved has to carry out, whose main steps are:

- a) *Identification of the main risks and high level controls - Entity Level Controls;*
- b) *Identification of the main risks and controls to protect information systems - IT General Controls;*
- c) *Identification of the main risks and controls to protect operating processes - Process Level Controls;*
- d) *Check of the design and operation of controls;*
- e) *Preparation of the report on the appropriateness and actual implementation of the financial reporting control system - Report on Internal Controls.*

## Elements of the System

- a) *Identification of the main risks and high level controls - Entity Level Controls*

Every year, the Company carries out a synthetic and global analysis of the Control and Risk Management System referring to financial disclosures at functional/organizational and IT level.

In particular, the components considered for the purpose of assessing Entity Level Controls are:

- ✓ The control environment within the organization (internal environment);
- ✓ The process of assessing risks that may jeopardize the achievement of business objectives (enterprise risk management);
- ✓ Control activities for mitigating risks (control activities);

- ✓ The information system and information flows between top management and operating personnel (information & communication); and
- ✓ The constant monitoring of the quality and results of the internal controls carried out (monitoring).

The relevant controls identified above are formalized in a dedicated Risk & Control matrix.

*b) Identification of the main risks and controls to protect information systems - IT General Controls - Process Level Controls*

IT General Controls focus on processes in the Information Technology area, linked to the production environment, and are designed to ensure a reliable IT environment, supporting the effectiveness of the applications controls.

The outcome of this activity is formalized through a Risk & Control matrix.

*c) Identification of the main risks and controls to protect operating processes - Process Level Controls*

The control activities implemented to protect the Company from significant risks which may jeopardize the trueness and correctness of financial disclosures are identified by the Reporting Units by means of Narrative and Risk & Control Matrices against specific control objectives that refer to the operating processes that feed the main consolidated balance sheet accounts.

This objective is achieved with an adequate understanding of the key activities associated with each process and an assessment of "balance sheet statements" (existence and occurrence, completeness, accuracy, rights and obligations, valuation and recording, presentation and disclosure) and other control objectives (such as, without limitation, the fulfilment of authorization limits, the segregation of incompatible tasks, controls on the physical safety and on the existence of assets, documentation and traceability of operations/transactions).

The structure of controls includes the identification of the key controls, whose absence or non-implementation entails a risk of significant error/fraud in the financial statements.

*d) Check of the design and operation of controls*

All the controls – at entity, IT and process level – are subject to evaluation in order to check the effectiveness of design and its actual operation in time.

The first evaluation on the design and operation of controls is the responsibility of Control Owners who, with the support of the Law 262 Compliance Office, regularly review the existing control model and assess its operation using an IT tool.

The independent monitoring activity – the so-called “testing” - is instead entrusted to the Internal Audit Function in order to ascertain whether the controls designed for the risks identified work effectively and in line with the provisions of the relevant administrative/accounting procedures.

The final phase of testing consists of an assessment of the results of the operating phase and definition of corrective action and/or improvement plans.

The test results are consolidated by the Group Internal Audit function in a report submitted to the Financial Reporting Manager, along with the controls compensating critical areas and any remedial plans proposed by the Reporting Unit, and, for the purposes of Internal Audit's reporting activities, to the Chief Executive Officer, the Control, Risk and Corporate Governance Committee and the Statutory Auditors.

Periodically, the implementation and/or progress of any corrective action identified are reviewed against the observations raised after the design analysis and operational effectiveness activities conducted, previously shared with the managers of the operating processes.

e) *Preparation of the report on the appropriateness and actual implementation of the financial reporting control system - Report on Internal Controls*

Based on the outcome of the review of the implementation of the Model, the Financial Reporting Manager prepares a report on the appropriateness and actual implementation of the financial reporting control system that will be submitted to the BoD for approval after being reviewed by the Control, Risk and Corporate Governance Committee during the meeting for the adoption of the draft annual financial statements and mid-year report.



### **11.1. Control and Risk Management System Director**

On 28 May 2014 and 20 December 2016, the Board of Directors confirmed to the CEO the office of Control and Risk Management System Director.

Pursuant to the Autogrill Code<sup>52</sup> and in line with the Self-Regulatory Code, the Control and Risk Management System Director:

- (a) defines the tools and procedures for the implementation of the Control and Risk Management System based on the indications of the Board of Directors; ensures the global appropriateness of the Control and Risk Management System, its correct implementation, its alignment with any change occurring in operating conditions and in the legislative and regulatory scenario; proposes to the Board of Directors the appointment and, where the revocation conditions are met, the revocation of the Chief Internal Audit Executive;
- (b) implements the necessary actions for the Control and Risk Management System after seeing the outcome of the auditing activities conducted by the Board of Directors with the support of the Control, Risk and Corporate Governance Committee and the Chief Internal Audit Executive;
- (c) may ask the Internal Audit Function to check and review specific operating areas and to oversee compliance with regulations and internal procedures in the execution of corporate operations, to then notify the Chairperson of the Board of Directors, the Chairperson of the Control, Risk and Corporate Governance Committee and the Chairperson of the Board of Statutory Auditors;
- (d) promptly reports to the Control, Risk and Corporate Governance Committee (or Board of Directors) about any problem or criticality that may arise during the conduction of his/her activity or that he/she may have become aware of, in order for the Control, Risk and Corporate Governance Committee (or Board of Directors) to be enabled to take action.

### **11.2. Person in charge of the Internal Audit Function**

Internal Audit is an independent and objective assurance activity aimed at continuously reviewing the effectiveness and efficiency of the

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<sup>52</sup> See the application criterion 7.C.4. of the Self-Regulatory Code and section 11.4 of the Autogrill Code.

internal control and risk management system, and its related organization. It helps the organization pursue its objectives by using a professional systematic approach that generates added value because its purpose is to allow for the assessment of the appropriateness of control, risk management and corporate governance processes and their actual operation.

The Internal Audit Function evaluates the planning and operation of the control and risk management systems concerning operating activities, IT systems and the governance of the Group. This activity includes:

- understanding risks in compliance with the *Enterprise Risk Management* model adopted by the Group;
- evaluating the appropriateness and efficacy of the internal control and risk management system by promoting an effective control at reasonable costs, with a special focus on the reliability and integrity of accounting, financial and operating information, effectiveness and efficiency of operating activities, protection of corporate assets, as well as the compliance with policies, procedures, laws, regulations and agreements.

#### *Audit Plan*

The internal audit activity is carried out by developing an audit plan, based on a specific analysis of risks and taking into account the Group's Internal Audit Guidelines, on all the activities and processes identified within the companies of the Group. This audit plan is carried out through the independent verification of first and second level controls by means of, in particular:

- ✓ specific process and business unit auditing projects;
- ✓ check of the reliability of IT systems;
- ✓ auditing of administrative and accounting processes;
- ✓ follow-up of the corrective actions identified during auditing, useful for the improvement of the Control and Risk System.

#### *Autogrill Group's Internal Audit Mandate*

On 8 November 2012, the Board of Directors, with the positive opinion expressed by the Control, Risk and Corporate Governance Committee on 30 October 2012 and after listening to the Board of Statutory Auditors' opinion, approved a document called "Autogrill Group Internal Audit Mandate", most recently updated on 12 February 2015, that defines the purposes, powers and responsibilities of the Internal Audit function and of the Group's Chief Internal Audit Executive. This

mandate is subject to annual review and updating by the Control, Risk and Corporate Governance Committee.

On 12 December 2007, on the proposal of the executive director designated as responsible for the internal control system and with the favourable opinion of the Internal Control and Corporate Governance Committee, the Board of Directors appointed Mr. Silvio de Girolamo as Group's Internal Audit and CSR Director in charge of the internal audit under the Self-Regulatory Code<sup>53</sup>.

On 20 December 2016, on the proposal of the Control and Risk Management System Director formulated to the Control, Risk and Corporate Governance Committee and with the favourable opinion of the same Committee and of the Board of Statutory Auditors, the Board of Directors confirmed the appointment of Mr. Silvio de Girolamo as person in charge of the Internal Audit function ("**Chief Internal Audit Executive**").

Pursuant to the Autogrill Code<sup>54</sup>, the task of the Chief Internal Audit Executive is to check that the Control and Risk Management System is appropriate and is being properly implemented and to ensure that internal audit activities are carried out in autonomy and in such a way as to ensure its effectiveness and efficiency.

More specifically, the Chief Internal Audit Executive:

- (a) reviews, both continuously and in connection with specific requirements and operating areas, and in compliance with international standards, the actual implementation and appropriateness of the Control and Risk Management System, taking into account the characteristics of the company and the risk profile adopted, and prepares, after listening to the opinion of the Control, Risk and Corporate Governance Committee, Board of Statutory Auditors and Control and Risk Management System Director, an annual audit plan that is submitted to the approval of the Board of Directors;
- (b) is not responsible for operating areas and reports to the Chairperson of the Board of Directors;
- (c) has direct access to all the information that might be useful for the performance of his/her tasks;

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<sup>53</sup> See the current application criterion 7.C.5. of the Self-Regulatory Code.

<sup>54</sup> See section 11.3(c) of the Autogrill Code.

- (d) prepares periodic reports containing appropriate information on his/her activity, risk management approach adopted, as well as compliance with the plans defined for their mitigation. The periodic reports contain an evaluation of the appropriateness and effectiveness of the Control and Risk Management System, that considers the characteristics of the company and the risk profile adopted;
- (e) promptly prepares reports on particularly significant events;
- (f) transmits the reports described in points (d) and (e) above to the Board of Statutory Auditors, the Control, Risk and Corporate Governance Committee and the Board of Directors, as well as to the Control and Risk Management System Director;
- (g) reviews, within the audit plan, the reliability of IT systems, including reporting systems.

The Chief Internal Audit Executive reports to the Board of Directors, to the Control, Risk and Corporate Governance Committee, to the Control and Risk Management System Director and to the Board of Statutory Auditors.

During the Year, the Internal Audit function verified the operation and suitability of the control and risk management system by carrying out audit projects in accordance with the Audit Plan 2016. During audit activities, the Internal Audit function has identified improvement areas, for which remediation plans were defined. It has also carried out systematic follow-up activities aimed at verifying the outcome of system improvement actions.

According to the Audit Plan, the Internal Audit function has also carried out independent audits of compliance with process controls so as to comply with Law No. 262/05 within Autogrill S.p.A. and the companies in the same scope of consolidation.

Furthermore, the Internal Audit function has provided specialized support to the manager in charge, the Supervisory Body for compliance with L. 262/05 and Legislative Decree No. 231/01 and the management as regards the control and risk management system.

In carrying out its responsibilities and duties, the Chief Internal Audit Executive has financial resources within the budget allocated to the Internal Audit function.

The Chief Internal Audit Executive's fees are defined – in agreement with the Chairperson - by the CEO, under the supervision of the Board of Directors and after listening to the opinions of the competent Committees, in compliance with the corporate remuneration policies and in connection with the tasks performed.

The Chief Internal Audit Executive has the financial and human resources required, as specified in an annual budget, for the performance of his/her tasks and has access to all the data and information required for the performance of his/her tasks.

The Chief Internal Audit Executive and his/her structure in the conduction of their activity enforce the principles of the code of ethics for the profession and International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Audit (IIA).

Internal Auditing activities and operating processes are defined in the Internal Audit Guidelines.

### **11.3. Organization Model pursuant to Legislative Decree no. 231 of 8 June 2001**

The organization, management and control model was adopted for the first time by Autogrill on 6 November 2002 and was subsequently supplemented after a number of regulatory changes that extended the scope of Legislative Decree no. 231/2001 to new categories of offences.

On 12 May 2016, the Board of Directors approved a new version of the Model, which had become necessary in view of the introduction of new offences in the reference legislation, also in order to take into account the recommendations set out in the new Confindustria Guidelines (updated in March 2014) on the administrative accountability of entities.

The new version of the Model includes appropriate policies and measures to ensure the conduction of activities in compliance with legal requirements and identify and eliminate any risk situation, but also contains an appropriate prevention system to mitigate the crime risk consistently with its organizational layout and with the best practices of reference.

The Model includes a general part and a special part.

The general part describes the contents of the Decree, with a special focus on the criminal offences for which the entity has administrative responsibility, the possible sanctions and conditions for exemption from liability (First Section), and the organizational and governance structure of the Company, with the activities carried out to update and disseminate the Model (Second Section).

The special part contains the Protocols, which are a set of control and behaviour rules and principles considered to be appropriate to govern the areas where a potential crime risk has been identified, as defined in Leg. Dec. 231/2001.

In addition, the following documents are enclosed as an integral part of the Model:

- list of predicate criminal offences;
- Ethics Code.

The Model must be periodically reviewed and amended whenever even only a potential risk exists that may lead to the violation of regulations, that is to say when any change is made to the organization, activities, legal provisions or reference standards.

*Supervisory Body:  
Composition and  
Activities*

On 28 May 2014, the Board of Directors appointed Mr. Giorgio Brunetti - formerly the Company's Lead Independent Director - Mr. Silvio de Girolamo, Autogrill Group Chief Internal Audit & CSR Officer, and Mr. Marco Rigotti, Chairperson of the Board of Statutory Auditors, as members of the Supervisory Body.

On 1<sup>st</sup> December 2014, Mr. Marco Rigotti informed the Supervisory Body that his office had been vacated for personal reasons. On 22 January 2015, the Board of Directors has thus appointed Mr. Luigi Biscozzi, who was Standing Auditor of the Company at that time, to replace Mr. Marco Rigotti as member of the Supervisory Body.

The Supervisory Body met 4 times during the Business Year and provided details to the Board of Directors and to the control body on a six-monthly basis on the degree of implementation and compliance with the Model.

For the operation of the Supervisory Body in 2017, during its meeting on 20 December 2016, the Board of Directors allocated a fund of 50,000 Euros, including the remuneration to be paid to each of the members of the Supervisory Body.

The general part of the Model is available for consultation in the Company's website ([www.autogrill.com](http://www.autogrill.com) - Governance section).

#### **11.4. Independent Auditors**

*Group's Procedure  
for the Appointment  
of Independent  
Auditors*

On 29 July 2005, the Board of Directors adopted a Group-wide procedure for the appointment of Independent Auditors for Autogrill and its Subsidiaries and for the assignment of tasks to the Independent Auditors and, on 8 November 2012, approved a new version of that procedure.

The procedure ensures that the Independent Auditors in charge of the audit of the Group Parent Company are also responsible for the statutory audits of Autogrill's Subsidiaries. Any use of statutory auditing companies other than that indicated by the Group Parent Company shall be properly justified and may be approved only with the prior favourable opinion of the Board of Statutory.

The procedure also aims to guarantee the independence of the Independent Auditors in respect of the company retaining it. To this end and in accordance with current regulations, mandates for services incompatible with the statutory audit role may not be given to the Independent Auditors.

The first application of the procedure occurred at the Shareholders' Meeting held on 27 April 2006, which appointed KPMG S.p.A., Milan, as the Company's Independent Auditors in charge of auditing the statutory and consolidated financial statements of the Company for business years 2006-2011, an engagement subsequently extended by law to cover 2012-2014 as a result of art. 17, Legislative Decree no. 39 of 27 January 2010 coming into force.

The procedure is under review in order to verify the necessary adjustments to Legislative Decree No. 135 of 17 July 2016 (*Implementation of EU Directive 2014/56 amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts*) in force since 5 August 2016 and Regulation (EU) No. 537/2014 on specific requirements regarding statutory audit of public-interest entities, applicable from 17 June 2016.

*Independent  
Auditors appointed*

The Shareholders' Meeting held on 28 May 2015 appointed Deloitte & Touche S.p.A., with headquarters in Milan, as independent auditors for the years 2015-2023.

### **11.5. Financial Reporting Manager**

Under art. 18 of the Bylaws, the Board of Directors, acting on the CEO's proposal and having noted the non-binding opinion of the Board of Statutory Auditors, appoints the Financial Reporting Manager.

This officer must have a university education and at least five years' experience in accounting, economics and finance, together with any further requirements laid down by the Board of Directors or the law or regulations. In addition to the aforementioned requirements, the Board of Directors determined that the Financial Reporting Officer should be subject to the provisions of eligibility and termination of office in art. 2382 C.C.

On 10 November 2011, the Board of Directors in office, with the favourable opinion of the Board of Statutory Auditors and Internal Control and Corporate Governance Committee (now called "Control, Risk and Corporate Governance Committee"), appointed Mr. Alberto De Vecchi, the Chief Financial Officer of the Group, as Financial Reporting Manager.

The Financial Reporting Manager was informed and vested with powers enabling performance of such duties, also with reference to the rules disciplining the role of Financial Reporting Manager approved by the Board on 18 March 2008 and updated on 31 July 2014.

To carry out his tasks, the Financial Reporting Manager has an annual budget of financial and human resources proposed by himself and approved by the Board of Directors.

On 20 December 2016, the Board of Directors approved the budget for the year 2017 proposed by the Financial Reporting Manager.

### **11.6. Coordination between Subjects involved in the Control and Risk System**

A major coordination event for the subjects involved in the control and risk system is the meeting of the Control, Risk and Corporate Governance Committee. Such meetings are held jointly with the meetings of the Board of Statutory Auditors and are attended by the Chief Internal Audit Executive, the Head of Group Enterprise Risk Management, and the Financial Reporting Manager. Moreover, the members of the Control, Risk and Corporate Governance Committee



periodically exchange information with the Supervisory Board and with the Control and Risk Management System Director.

## 12. DIRECTORS' INTERESTS AND RELATED-PARTY TRANSACTIONS

*Autogrill RPT  
Procedure*

Referring to CONSOB's Recommendation for the issuers to assess at least on a three-year basis whether they should review the procedures adopted according to the RPT Regulations, taking into account, inter alia, the changes that might have been made to the ownership layout, as well as the effectiveness shown by the procedures in practice, on 12 December 2013 the BoD passed a resolution to entrust the Group General Counsel, with the support of the Group Chief Financial Officer and the functions that may be from time to time involved, with the tasks of: (i) completing, by staying in contact with the Committees of the Company that may be from time to time involved, the review of the procedure for Related-Party Transactions (the "**RPT Procedure**") currently in force that was adopted through a Board's resolution on 29 November 2010, and (ii) propose, within the necessary time span, actions for an adjustment or refinement of the RPT Procedure for each consequent determination of the BoD, after listening to the opinion of the RPT Committee pursuant to the Related-Party Transactions Regulations<sup>55</sup>.

After extensive inspections aimed at examining and reassessing the choices made during the first approval and enforcement of the RPT Procedure, on 13 May 2014, the Board of Directors approved a new version of RPT Procedure according to Related-Party Regulations. The new version replaced the previously effective procedure with effect from 30 September 2014. In particular, the RPT Procedure in force as at the date of this Report extends the perimeter of related parties to include, among the persons potentially covered by the definition of "Executives with strategic responsibilities" not only Autogrill managers, but also the top executives of the Subsidiaries, in any case without prejudice to the competence of Autogrill's Board of Directors in identifying the detailed list of "Executives with strategic responsibilities", whom to apply the RPT Procedure.

*Appointment and  
Activities of the RPT  
Committee*

On 28 May 2014, the Board of Directors appointed the Related-Party Transactions Committee currently in office, which is composed of Independent Directors Ms. Carolyn Dittmeier, Ms. Giorgina Gallo and Mr. Stefano Orlando (Coordinator of the Committee).

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<sup>55</sup> See art. 4, paragraph 3, of the Related-Party Transactions Regulations.

During 2016, the Related-Party Transaction Committee met 2 times (with an average duration of the meeting of 2 hours approximately).

For the year 2017, the Related-Party Transaction Committee will be allocated 30,000 Euros for its ordinary operation, within the indicative limits of the amount allocated by the Board of Directors at its meeting on 20 December 2016, without prejudice to the absence of expenditure limits for the use of independent consultants by the Related-Party Transaction Committee, pursuant to art. 6.3.1 of the RPT Procedure.

The RPT Procedure is available for consultation in the Company's website ([www.autogrill.com](http://www.autogrill.com) - *Governance* section).

### **13. APPOINTMENT OF STATUTORY AUDITORS**

*Composition and Powers of the Board of Statutory Auditors*

Under art. 20 of the Bylaws, the Board of Statutory Auditors is made up of three Standing Auditors and two Alternate Auditors. Statutory Auditors may be re-elected.

Minority interests are reserved the right to elect one Standing Auditor and one Alternate Auditor.

The powers, duties and term of office of the Board of Statutory Auditors are as required by law.

Pursuant to the Bylaws<sup>56</sup>, amended to implement the above-mentioned Board's Resolution, persons already holding positions in administration and control in other companies in excess of the numerical limit, or who do not have the statutory or legal requirements in terms of honourableness and professional skills to hold office may not be elected Standing Auditors and if elected forfeit office.

*List-based Appointment of the Board of Statutory Auditors*

The Board of Statutory Auditors is elected by the Shareholders' Meeting – who also fixes its remuneration – on the basis of lists presented by Shareholders in accordance with laws and regulation from time to time in force, even in connection with the regulations requiring balance between genders, containing a number of candidates not to exceed the number of auditors to elect, listed with a progressive number.

The list comprises two sections, one for Standing Auditor candidates and the other for Alternate Auditor candidates.

Each Shareholder, individually or with others, may only present one list and no candidate may run in more than one list, on penalty of ineligibility.

*Entitlement to present Lists*

Only Shareholders who individually or together hold shares amounting to at least 1.5% of the share capital or any lower share capital percentage fixed by law or regulations are entitled to present lists.

In this regard, we specify that, with Resolution no. 19856 of 25 January 2017, CONSOB established that the percentage required by art. 144-

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<sup>56</sup> As amended by the resolution adopted on 27 September 2012 by the Board of Directors to assimilate the provisions of TUF introduced in 2011 and concerning equal access to the governing and control bodies of companies listed in regulated markets, and as most recently updated through the resolution adopted by the Board of Directors on 12 May 2016.

*quarter* of the Issuers' Regulations for the presentation of candidate lists for the election of Autogrill's governing and control bodies is 1%.

Statements by the candidates that they accept candidacy, that there are no causes of ineligibility or incompatibility and that they possess the requirements for holding the post prescribed by law and the Bylaws must be filed along with each list. A list which does not comply with the provisions illustrated above is considered as having not been presented.

A CV of each candidate adequately illustrating his or her professional and personal characteristics must be filed along with the statements.

Lists presenting a total number of candidates of three or more persons must include candidates of both genders so that at least one fifth of the candidates (for the first mandate after 12 August 2012)<sup>57</sup> and then one third (rounded up) of the candidates to the post of Standing Auditor and at least one fifth (for the first mandate after 12 August 2012) and then one third (rounded up) of the candidates to the post of Alternate Auditor belong to the less represented gender.

Statutory auditors are elected as follows:

- (a) 2 (two) Standing Auditors and 1 (one) Alternate Auditor are taken from the list obtaining the highest number of votes cast at the shareholders' meeting and in the progressive order in which they appear in the sections of the list;
- (b) the remaining Standing Auditor and the other Alternate Auditor are drawn from the list which obtained the second highest number of votes and is not connected in any way, even indirectly, with the shareholders that presented or voted the list that obtained the highest number of votes, in the progressive order in which they are indicated in the sections of the list. If more than one minority list obtain the same number of votes, the senior candidates by age in the standing and alternate sections of the list are elected;
- (c) if only one list is submitted, the Board of Statutory Auditors is drawn entirely from that list.

If the procedure detailed above does not allow the Board of Statutory Auditors to reach a composition, in terms of standing auditors, in accordance with current law concerning balance between genders, the necessary replacements will be made in the candidates to the post of

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<sup>57</sup> The first mandate, for Autogrill, was conferred by the Shareholders' Meeting on 28 May 2015.

Standing Auditor of the list that obtained the highest number of votes, or from a sole list, according to the progressive listing sequence of the candidates.

The Chairperson of the Board of Statutory Auditors is appointed by the Shareholders' Meeting in accordance with the provisions of current law.

*Forfeiture and  
Replacement of  
Statutory Auditors*

If a Statutory Auditor's requirements under the law and the Bylaws cease to obtain, he or she shall forfeit office.

If a Statutory Auditor has to be substituted for, he or she is replaced by the Alternate Auditor from the same list and may also, if necessary, assume the functions of chair.

The replacement procedures described in the previous paragraphs must in any case ensure compliance with the legislation on balance between genders.

The foregoing provisions disciplining the election of Statutory Auditors do not apply if the Shareholders' Meeting is convened to appoint standing and/or Alternate Auditors or the chair, as allowed by law, as a result of substitution or forfeiture. In such cases, the Shareholders will pass a resolution on a relative majority, subject to the principle indicated in art. 20, paragraph 2, of the By-laws (that reserves the minority's right to elect one Standing Auditor and one Alternate Auditor) and compliance with the applicable legislation on balance between genders.

## 14. COMPOSITION AND OPERATION OF THE BOARD OF STATUTORY AUDITORS

*Appointment and  
Composition of the  
Board of Statutory  
Auditors in Office*

The current Board of Statutory Auditors was elected by list vote at the ordinary Shareholders' Meeting on 28 May 2015 and will remain in office until the Meeting that will be convened to approve the financial statements for the year ending on 31 December 2017.

In particular, the Standing Auditors Ms. Antonella Carù and Eugenio Colucci and Alternate Auditor Ms. Patrizia Paleologo Oriundi were elected from the list submitted by the majority shareholder Schematrentaquattro S.p.A. with voting rights representing a percentage of 53.144% on the entire share capital.

Standing Auditor Mr. Marco Rigotti and Alternate Auditor Mr. Roberto Miccù were elected from the minority list submitted by 13 investment fund managers with voting rights representing 13.623% on the entire share capital.

The Standing Auditor Mr. Marco Rigotti was simultaneously appointed as Chairperson of the Board of Statutory Auditors.

The above-mentioned composition of the Board of Statutory Auditors did not change until the date of this Report.

*Remuneration*

The ordinary Shareholders' Meeting held on 28 May 2015 established that the remuneration for each of the years 2015-2016-2017 for the Chairperson of the Board of Statutory Auditors will be a lump-sum all-inclusive amount of Euro 75,000 and for each of the other two Standing Auditors a lump-sum all-inclusive amount of Euro 50,000. The amount of the fees paid to each Auditor in the Business Year is specified in the Remuneration Report.

In particular, the remuneration of Statutory Auditors was commensurate with the commitment required, the importance of the role played, and the size and sector-specific characteristics of the Company, in line with the application criterion 8.C.3. of the Self-Regulatory Code.

Further details on the Board of Statutory Auditors can be found in Table 3 in the appendix.

The personal and professional profiles of each Auditor are given below.

### **Curricula Vitae of the Statutory Auditors in Office**

## **Marco Rigotti**

Chairperson of the Board of Statutory Auditors

Born in Milan in 1967 he obtained his Degree in Business Economics from the Commercial University Bocconi of Milan in 1992 and has been registered in the "Albo dei Dottori Commercialisti" (register of professional accountants) since 1993 and in the Roll of Chartered Accountants since 1999.

Between 1995 and 1998, he worked at CONSOB, where he carried out surveys on insider trading practices and the manipulation of share prices. At present, he operates his own firm in Milan, where he specializes in conducting control activities at important listed groups. He chairs the Boards of Directors of some companies of the Alisarda Group (Meridiana Fly S.p.A., Meridiana Maintenance S.p.A., Alisarda S.p.A., Air Italy Holding S.r.l., Air Italy S.p.A., Gestione Aeroporti Sardi S.p.A., Eccelsa Aviation S.r.l.), where he represents the control shareholder, and serves as Standing Auditor for Recordati Industria Chimica e Farmaceutica S.p.A.

He also conducts research activities with the Department of Legal Studies A. Sraffa of the Bocconi University, where he also teaches business law as temporary lecturer. He authored many scientific publications on company law and the financial markets.

## **Eugenio Colucci**

Standing Auditor

Born in Lucera (FG) in 1946, he graduated in economics and business at L. Bocconi University in Milan.

He has been on the Register of Legal Auditors ("Registro dei Revisori Legali") since it was formed.

He started his career in 1969, with Arthur Andersen, where he became a partner in 1982 and was Audit Partner, Chairperson of the Committee on Professional Standards, Practice Director for Italy (1989 onwards), for Luxembourg (1994 onwards) and for Greece. He was also Professional Practice Director in the company formed by the integration of Arthur Andersen and Deloitte. Since 2004, he has been working as independent contractor. From May 2002 to April 2005 he was a member of the Executive Committee of the Organismo Italiano di Contabilità (Italian accounting standards organization).



He has chaired the Board of Statutory Auditors of IFIL from 2008 until its merger with EXOR (parent company of Fiat-Chrysler), and later served as Director and Chairperson of the Control and Risk Committee of EXOR until 2012. He has also held the office of Chairperson of the Board of Statutory Auditors of Assicurazioni Generali S.p.A. from 2008 to 2013.

He has been a Standing Auditor of the Boards of Statutory Auditors of Autogrill since April 2009.

### **Antonella Carù**

Standing Auditor

Born in Varese in 1961. She graduated in Business Economics at the Bocconi University, Milan, in 1986 (with a specialization in Administration and Control), and obtained her PhD in Business Economics in 1993.

She is full professor of Economics and Business Administration at the Bocconi University, where she has been holding the office of Dean of the Graduate School since November 2014. At the same University, she served as Dean of the Undergraduate School (November 2012 - October 2014) and Director of the Master of Science course in Marketing Management (from 2004 to 2012). She is also Senior Teacher at the SDA Bocconi School of Management.

She was Visiting Professor at CBS - Copenhagen Business School; ESCP-EAP in Paris; Université Jean Moulin in Lyon; and Visiting Scholar at HEC Montréal.

She is the author of many monographs and several papers published in national and international scientific journals.

She is a chartered accountant registered on the register of Auditors.

She was Standing Auditor in Pirelli & c. S.p.A. from 10 May 2012 to 15 March 2016 and has been a member of the Board of Directors of the same company since 26 July 2012. She has also been Standing Auditor in Autogrill S.p.A. since 28 May 2015.

She provides advisory and research services to industrial businesses, service companies and financial institutions.

Pursuant to art. 3 of Decree No. 162 of 30 March 2000, issued by the Justice Minister in concert with the Treasury Minister, on 18 June 2015,

at the first useful meeting after the appointment of the current Board of Statutory Auditors, the Board has ascertained that the current members of the Board of Statutory Auditors fulfil the requirements laid down in art. 1 and 2 of the above Decree. Specifically, the Statutory Auditors are enrolled in the register of accounting auditors and have practiced for at least three years.

During its meeting of 12 December 2007, the Board of Directors deliberated on the applicability of the same independence requirements set out for Directors also for the members of the Board of Statutory Auditors. For these requirements, see section 4.6 above in this Report. A similar provision was also introduced in the Autogrill Code<sup>58</sup>.

*Annual Assessment  
of the Independence  
Requirements of  
Statutory Auditors*

In compliance with the provision of the Self-Regulatory Code that recommends to annually ascertain that all the statutory auditors meet the independence requirements and to transmit the outcomes of such verifications to the Board of Directors, which - after the appointment - discloses them through a market release and later in the report on corporate governance<sup>59</sup>, the current Board of Statutory Auditors ascertained the independence requirements - set forth in applicable laws and in the Self-Regulatory Code - of its members on 18 June 2015, 10 March 2016 and 9 March 2017 and reported to the Board of Directors the outcome of its verification.

*Other Functions of  
the Board of  
Statutory Auditors  
and its Meetings*

The Board of Statutory Auditors supervises the independence of Independent Auditors, in compliance with our corporate policy, particularly as regards appointments that are incompatible with auditing activities.

The retiring Board of Statutory Auditors, whose mandate expired with the approval of the financial statements for 2014 by the Shareholders' Meeting on 28 May 2015, performed the activities required to formulate its reasoned proposal to the same Shareholders' Meeting, pursuant to art. 13, paragraph 1, of the Legislative Decree No. 39 of 27 January 2010, for the appointment of the statutory auditors for the period 2015-2023.

For the performance of its tasks, the Board of Statutory Auditors cooperates with the Chief Internal Audit Executive and with the

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<sup>58</sup> See section 15.2 of the Autogrill Code.

<sup>59</sup> See application criterion 8.C.1. of the Self-Regulatory Code. Please note that, according to paragraph IX of the "Guidelines and Transitional Regime" section of the Self-Regulatory Code in its July 2015 version: "As to the changes made to art. 8, issuers are encouraged to apply them from the first renewal of the supervisory body taking place after the end of the year beginning in 2015".

Control, Risk and Corporate Governance Committee. See section 11 of this Report above for more details on this issue.

The 12 meetings of Statutory Auditors held during the business year lasted 3 hours. Twelve meetings are scheduled for the current year, 3 of which have already been held.

At the present time, the Autogrill Code does not expressly contemplate that the Statutory Auditor, who - on his/her own or a third party's behalf - has an interest in a particular operation of the Issuer, informs in a timely and exhaustive manner the other Statutory Auditors and the Chairperson of the Board of the nature, terms, origin and scope of his/her interest, since the members of the Board of Statutory Auditors are required to comply with the application criterion 8.C.4. also in the absence of an express provision of the Autogrill Code.

*Induction program* As provided for by the Self-Governance Code<sup>60</sup>, following the appointment of the Statutory Auditors that are currently in office and during their mandate, induction sessions have been arranged for Statutory Auditors with a view to providing them with adequate knowledge of the Company's business, proper risk management principles, legal and regulatory reference framework and corporate dynamics. Furthermore, Statutory Auditors are always invited to participate in the induction meetings attended by the Directors.

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<sup>60</sup> See the application criterion 2.C.2. of the Self-Regulatory Code.

## **15. RELATIONS WITH THE FINANCIAL MARKET**

The interest of the Group in establishing and maintaining a continuous dialogue with the financial market stakeholders led the creation of the Investor Relations Function in 1997. The aim of this function is to illustrate and explain to institutional investors and financial analysts the strategy pursued by Autogrill, the objectives and results achieved.

On the one hand, this activity is translated into a constant contact with investors and analysts and, on the other, in a constant collaboration with other corporate functions to process all the information material that the Group prepares to better interact with the financial market.

All the information material either required by statutory obligations - e.g. Company's accounting documents, financial releases, procedures and codes – or drawn up on a voluntary basis in order to improve the communication process is posted in the Company's website ([www.autogrill.com](http://www.autogrill.com)).

Responsibility for the management of the relations with the financial market falls on the Head of Investor Relations.

The last three years were marked by several changes linked, on the one hand, to the evolution and the associated refinement of the Group's strategy and, on the other, to the listing of the main competitors at global level, thus creating a sector concerning concession activities in the capital market. Hence, the Group felt the need to further improve the activities of the Investor Relations Function, for example by increasing the opportunities to communicate its strategy or further studying the issues attracting even greater interest of the investors.

In summary, the following Investor Relations activities were carried out by the Autogrill Group in 2016:

- a) an event dedicated to analysts and investors for the publication of 2015 results;
- b) 3 conference calls for the publication of the results of the first and third quarters 2016 and first half of 2016;
- c) 8 road-shows and participation in 6 conferences – industry conferences or dedicated to listed companies in Italy – organized by institutions or financial intermediaries.

On the whole, 290 exchange events were organized.

## 16. SHAREHOLDERS' MEETINGS

Notice of Meeting, quorums, validity of resolutions voted, eligibility to participate and proxy voting are disciplined by the law.

Pursuant to art. 7, Bylaws, Shareholders' Meetings are called by posting a notice on the Company's website (www.autogrill.com) and in the manner required by law and regulations from time to time in force, with prior notice that may not be less than the minimum required by law in respect of the date fixed for the Shareholders' Meeting<sup>61</sup>.

Shareholders representing at least 2.5% of the share capital, whether individually or jointly, may apply to the Company in the manner required by the law and regulations from time to time in force to add items to the agenda and must indicate the matters they propose for discussion in their written application. Notice of any additions proposed in accordance with current law is announced as and when required by the law and regulations from time to time in force.

The Shareholders controlling the Issuer have never asked to integrate the proposals on the Shareholders' Meeting agenda as regards the topics for which directors had not formulated a specific proposal.

In order to facilitate Shareholders, the exercise of said right, as well as, more generally, the dialogue with the Company, a dedicated electronic mail address has been opened: societario@autogrill.net.

Meetings are conducted according to the rules for Shareholders' Meetings approved by the Shareholders' Meeting, on a motion by the Board of Directors, on 27 April 2004 and modified by Shareholders' resolution on 21 April 2011 (the "**Shareholders' Meetings Regulations**").

In the course of the last meeting held on 20 December 2012, the Board of Directors examined the new recommendations contained in the comment to art. 9 of the Self-Regulatory Code and, upon the Control, Risk and Corporate Governance Committee's proposal, deliberated on putting off any further assessment of possible changes

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<sup>61</sup> In an extraordinary session on 21 April 2011, the Shareholders' Meeting voted to make the mandatory modifications to the Bylaws needed to reflect current provisions of law and regulations as modified by Legislative Decree No. 27 of 27 January 2010, which enforced the European Shareholders' Rights Directive in Italy.

Such modifications were mostly to art. 7 and 8 of the Bylaws and provide that meetings in ordinary and extraordinary session may be held in a single call pursuant to the new paragraph 1 in art. 2369 CC.

Art. 11 of the Bylaws was also modified to provide, pursuant to art. 123-ter, TUF, for the power of the Shareholders' Meeting to express itself, albeit in a non-binding form, for or against the remuneration policies for Directors, general managers and executives with strategic responsibilities and on the procedures used to adopt and implement these policies.

to the meeting regulations to a next meeting because the current regulations were deemed to be sufficiently compliant with the provisions of the Self-Regulatory Code.

The Shareholders' Meeting Regulations are available for consultation in the Company's website ([www.autogrill.com](http://www.autogrill.com) - Governance section).

In particular, the Shareholders' Meeting Regulations require that, upon opening a Shareholders' Meeting, the Chairperson should fix the maximum duration of each speech, usually not exceeding 15 minutes. The Meeting Chairperson may invite speakers to conclude if they go beyond the fixed time limit or digress from the subjects on the agenda and prevent inappropriate behaviours also by suspending the right to speak or, in more serious cases, by having the person/s removed from the room for the remainder of the discussion. A shareholder expelled in this way may appeal to the Meeting, which will vote with a majority of the share capital represented at the Meeting.

Requests to address the Meeting on individual items on the agenda may be made to the Chairperson's office upon constitution of the Meeting and up to such time as the Meeting Chairperson opens the discussion on each item on the agenda. In granting the floor, the Meeting chairperson usually follows the order in which requests were submitted. A shareholder may only speak once on each point in the agenda.

The Shareholders' Meeting is the official opportunity for Directors and Shareholders to meet and discuss matters.

Eight Directors attended the Meeting held on 26 May 2016, and, upon the Shareholders' request, information was made available on the Company's performance and on the items on the agenda. During that meeting, the shareholders also received the documents and information required by applicable law (already made public) within the legal term at Autogrill's registered office and secondary offices, as well as at Borsa Italiana S.p.A. and in Autogrill's website ([www.autogrill.com](http://www.autogrill.com) – Governance section, Shareholders' Meeting).

*Meetings held in  
2016*

## **17. ADDITIONAL CORPORATE GOVERNANCE PRACTICES**

Autogrill does not apply corporate governance practices over and above those required by law and regulations other than the ones indicated in this Report.

Details on the Strategies and Investments Committee and the organization Model adopted by the Company pursuant to Legislative Decree 231/2001 may be found in sections 6 and 11.3.

## **18. CHANGES AFTER THE CLOSE OF THE REFERENCE BUSINESS YEAR**

No changes to the corporate governance structure have occurred between the close of the Business Year and the date of this Report.



## TABLES

**TABLE 1: SIGNIFICANT STAKES IN THE SHARE CAPITAL**

<b>Reference date: 9 March 2017</b>			
<b>Informant</b>	<b>Direct Shareholder</b>	<b>Share % of ordinary share capital</b>	<b>Share % of voting capital</b>
Edizione S.r.l.	Schematrentaquattro S.p.A.	50,100	50,100

**TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES**

Board of Directors													Control, Risk and Corporate Governance Committee		Human Resources Committee		Strategy and Investment Committee		Related-Party Transaction Committee	
Office	Member	Year of birth	Date of first appointment *	In office since	In office till	List (M/m) **	Exec.	Non-exec.	Indep. purs. to Code	Indep. purs. to TUF	Number of other offices ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Chairperson	Gilberto Benetton	1941	19/05/1997	28/05/14	Approval of accounts at Dec. 31, 2016	M		X			1	12/12								
Chief Executive Officer (a) (b)	Gianmario Tondato Da Ruos	1960	24/03/2003	28/05/14	Approval of accounts at Dec. 31, 2016	M	X				1	12/12								
Director	Ernesto Albanese	1964	28/05/2014	28/05/14	Approval of accounts at Dec. 31, 2016	m		X	X	X	1	10/12								
Director	Alessandro Benetton	1964	19/05/1997	28/05/14	Approval of accounts at Dec. 31, 2016	M		X			0	8/12								
Director	Tommaso Barracco	1951	21/04/2011	28/05/14	Approval of accounts at Dec. 31, 2016	M		X	X	X	0	10/12					10/10	M		
Director	Francesco Umile Chiappetta	1960	28/05/2014	28/05/14	Approval of accounts at Dec. 31, 2016	m		X	X	X	2	12/12	9/10	M						
Director	Carolyn Dittmeier	1956	10/04/2013	28/05/14	Approval of accounts at Dec. 31, 2016	M		X	X	X	3	12/12	10/10	P					2/2	M
Director	Massimo Fasanella d'Amore di Ruffano	1955	7/03/2012	28/05/14	Approval of accounts at Dec. 31, 2016	M		X	X	X	0	12/12			5/6	M	10/10	M		
Director	Giorgina Gallo	1960	28/05/2014	28/05/14	Approval of accounts at Dec. 31, 2016	M		X	X	X	3	10/12					10/10	M	2/2	M
Director (c)	Stefano Orlando	1948	21/04/2011	28/05/14	Approval of accounts at Dec. 31, 2016	M		X	X	X	0	12/12			6/6	P			2/2	M

Board of Directors													Control, Risk and Corporate Governance Committee		Human Resources Committee		Strategy and Investment Committee		Related-Party Transaction Committee	
Office	Member	Year of birth	Date of first appointment *	In office since	In office till	List **	Exec.	Non-exec.	Indep. purs. to Code	Indep. purs. to TUF	Number of other offices ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Director	Marco Patuano	1964	26/01/2017	26/01/17	Next meeting to be held (Approval of accounts at Dec. 31, 2016)			X			0							P		
Director	Paolo Roverato	1963	23/04/2008	28/05/14	Approval of accounts at Dec. 31, 2016	M		X			0	12/12	8/10	M	6/6	M				
Director	Neriman Ülsever	1953	28/05/2014	28/05/14	Approval of accounts at Dec. 31, 2016	M		X	X	X	0	10/12								
-----DIRECTORS LEAVING OFFICE IN REFERENCE PERIOD-----																				
Director	Gianni Mion	1943	9/01/1995	28/05/14	Approval of accounts at Dec. 31, 2016	M		X			2	7/12					6/10	P		
Number of meetings held in reference year: 12						Control, Risk and Corporate Governance Committee: 11				Human Resources Committee: 6		Strategy and Investment Committee: 10		Related-Party Transaction Committee: 2						
<b>Quorum required for the lists submitted by minority shareholders for the appointment of one or more members (pursuant to art. 147-ter of TUF): 1%</b>																				

**NOTES**

(a) This symbol means the Director who is in charge of the Internal Control and Risk Management System.

(b) This symbol means the main person in charge of the management of the issuer (Chief Executive Officer or CEO).

(c) This symbol means the Lead Independent Director (LID).

\* The date of first appointment of each director means the date, on which the director was appointed for the first time (in absolute terms) to serve in the Board of Directors of the issuer.

\*\* This column shows the list, to which each director belongs ("M": Majority list; "m": minority list).

\*\*\* This column shows the number of offices held as Director or Auditor in other companies according to the guidelines adopted by the Board of Directors, as indicated in paragraph 4.2 of this Report.

(\*) This column shows the director's attendance at the meetings of BoD and Committees respectively (number of meetings actually attended out of total meetings that the director was expected to attend in his/her capacity as member; e.g. 6/8; 8/8, etc.).

(\*\*) This column shows the office of the director within the Committee: "P": chairperson; "M": member.

## List of Directors' offices

The table below details the positions held by Directors in other companies as of the date of this Report, according to the criteria adopted by Autogrill's Board of Directors, as indicated in section 4.2 of this Report.

<b>Director</b>	<b>Office</b>	<b>Company</b>
Gilberto Benetton	Director	Mediobanca S.p.A.
Gianmario Tondato	Independent Director	International Game Technology PLC
Ernesto Albanese	Director	Geox S.p.A.
Alessandro Benetton	-	
Tommaso Barracco	-	
Francesco Umile Chiappetta	Deputy Chair of the Board of Directors Director	Armònia Sgr Armònia Holding S.r.l.
Carolyn Dittmeier	Chair of Board of Statutory Auditors Independent Director Independent Director	Assicurazioni Generali S.p.A. Italmobiliare S.p.A. Alpha Bank A.E.
Massimo Fasanella d'Amore di Ruffano	-	
Giorgina Gallo	Independent Director Independent Director Independent Director	Telecom Italia S.p.A. Intesa Sanpaolo Zignago Vetro S.p.A.
Stefano Orlando	-	
Marco Patuano	-	
Paolo Roverato	-	
Neriman Ülsever	-	

**TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS**

Board of Statutory Auditors									
Office	Member	Year of birth	Date of first appointment *	In office since	In office until	List (M/m) **	Independence pursuant to Code	Attendance at Board meetings ***	No. of other offices ****
Chairperson	Marco Rigotti	1967	19/04/2012	28/05/2015	Approval of accounts at Dec. 31, 2017	m	X	11/12	8
Standing auditor	Antonella Carù	1961	28/05/2015	28/05/2015	Approval of accounts at Dec. 31, 2017	M	X	12/12	0
Standing auditor	Eugenio Colucci	1946	21/04/2009	28/05/2015	Approval of accounts at Dec. 31, 2017	M	X	12/12	0
Alternate auditor	Patrizia Paleologo Oriundi	1957	28/05/2015	28/05/2015	Approval of accounts at Dec. 31, 2017	M	X		
Alternate auditor	Roberto Miccù	1965	28/05/2015	28/05/2015	Approval of accounts at Dec. 31, 2017	m	X		
Number of meetings held in reference year: 12									
Quorum required for the lists submitted by minority shareholders for the appointment of one or more members (pursuant to art. 148 of TUF): 1%									

**NOTES**

\* The date of first appointment of each auditor means the date on which the auditor was appointed for the first time (in absolute terms) to serve in the Board of Statutory Auditors of the issuer.

\*\* This column shows the list to which each auditor belongs ("M": majority list; "m": minority list).

\*\*\* This column shows the auditor's attendance at the meetings of the Board of Statutory Auditors (number of meetings actually attended out of total meetings that the auditor was expected to attend in his/her capacity as member; e.g. 6/8; 8/8, etc.).

\*\*\*\* This column shows the total number of offices held as Director or Auditor according to art. 148-bis of TUF and the relevant implementation provisions in CONSOB Regulations for Issuers. The complete list of offices is published by Consob in its website pursuant to art. 144-*quinquiesdecies* of CONSOB Regulations for Issuers.