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Remuneration
Report



Report on Remuneration 2019



Contents

Introduction	4
Governance system and organizational structure of A2A	5
2019 Remuneration Policy - Summary	7
Section 1 - 2019 Remuneration Policy	13
a. Preparation, approval and implementation of the Remuneration Policy: procedures, bodies and entities involved	13
b. Aims and Principles of the Remuneration Policy	18
c. Detailed Structure of the Remuneration Policy	19
c1. Remuneration of the members of the Board of Directors, excluding the Chair, Vice-Chair and CEO	19
c2. Remuneration of the Chair of the Board of Directors	20
c3. Remuneration of the Vice-Chair of the Board of Directors	20
c4. Remuneration of the Chief Executive Officer	20
c5. Remuneration of the General Manager	22
c6. Remuneration of Key Executives	22
c7. Non-monetary benefits	24
c8. Indemnities in the event of termination of office or termination of employment	24
c9. Deferral of cash components and claw-back clauses	24
c10. Benchmark of other companies on remuneration policies	24
Section 2 - Implementation of the 2018 Remuneration Policy	25

This is a translation of the Italian original “Relazione sulla remunerazione 2019” and has been prepared solely for the convenience of international readers. In the event of any ambiguity the Italian text will prevail. The Italian original is available at the website www.a2a.eu.

Introduction

This Remuneration Report (hereinafter also “Report”) approved on April 3, 2019 by the Board of Directors (hereinafter also “BoD” or “Board”) of A2A S.p.A. (hereinafter also “A2A” or the “Company”), on the proposal of the Remuneration and Appointments Committee (hereinafter also the “Committee”) has been prepared in compliance with applicable legal and regulatory obligations:

- Article 123-ter of Legislative Decree February 24, 1998 no. 58, transposed in the Consolidated Finance Act (hereinafter also “CFA”);
- Article 84-quater of the Consob Issuers Regulation (Resolution no. 11971 of May 14, 1999 and subsequent amendments and supplements) and related Annex 3A, schemes 7-bis and 7-ter;

and in accordance with the Corporate Governance Code recommendations for listed companies of Borsa Italiana S.p.A. (hereinafter also “Corporate Governance Code”).

The Report is organized in two sections:

- First Section outlining:
 - the policy adopted by A2A and the companies controlled by it regarding the remuneration of executive and non-executive members of the Board of Directors, General Manager and Executives with strategic responsibilities⁽¹⁾ (hereinafter also “Key Executives”);
 - the procedures adopted for the preparation, approval and implementation of the Remuneration Policy as well as the bodies and entities involved.
- Second Section outlining:
 - in analytical and nominative form, the remuneration paid in 2018 to executive and non-executive members of the Board of Directors, members of the Board of Auditors and the General Manager, in any capacity and in any form, by the Company and its subsidiaries/associates;
 - in analytical and aggregated form, the remuneration paid in 2018 to the Key Executives, in any capacity and in any form, by A2A and its subsidiaries/associates.

The two sections of the Report are preceded by a summary of the main information in order to provide the market and investors with an immediate overview of the key elements of the Guidelines on the remuneration policy for executive directors and key executives of the Group for the year 2019.

As required by article 84-quater, paragraph 4, of the Issuers Regulation, the Report outlines in specific tables, the figures related to the investments held, directly or through investees, trust companies, or third parties, by:

- members of the Board of Directors, members of the Board of Auditors, General Manager and Key Executives;
- not legally separated spouses and children (minors) of the members of the Board of Directors, members of the Board of Auditors, General Manager and Key Executives.

The information provided in this Report relates, unless otherwise indicated, to April 3, 2019, the date of its approval by the A2A Board of Directors.

This Report is made available to the public at the authorized storage mechanism 1Info on the website www.1info.it, at the Company’s headquarters located in Brescia, via Lamarmora 230 and on the website www.a2a.eu (“Governance” - “Meetings” section), at least 21 days before the date of the Shareholders’ Meeting called to express itself, with non-binding resolution, on the First Section of the Report (in compliance with current legislation).

¹ According to the definition of reference outlined by Consob in the “Regulation on related-party transactions no. 17221 of March 12, 2010”: “Key Managers are those persons who have the power and responsibility, directly or indirectly, for planning, directing and controlling of the company’s activities, including directors (whether executive or otherwise) of the company”.

Governance system and organizational structure of A2A

As of June 16, 2014, the Company has changed its management and control system from “two-tier” to “traditional”, in accordance with the changes to the By-laws approved by the Extraordinary Shareholders’ Meeting of June 13, 2014.

On May 15, 2017, the Shareholders’ Meeting appointed for the three-year period 2017-2019 a Board of Directors consisting of 12 members and a Board of Statutory Auditors consisting of 3 statutory auditors and 2 alternate auditors, determining, according to the provisions of the Company By-laws, the annual remuneration for the office of Board Director and Member of the Board of Auditors.

The following table shows the composition of the Board of Directors and Board of Auditors at the date of this Report.

	Chair	Vice-Chair	Chief Executive Officer and General Manager	Members
Board of Directors	Giovanni Valotti	Alessandra Perrazzelli	Luca Valerio Camerano	<ul style="list-style-type: none">• Giambattista Brivio• Giovanni Comboni• Enrico Corali• Luigi De Paoli• Alessandro Fracassi• Maria Chiara Franceschetti• Gaudiana Giusti• Dina Ravera• Norberto Rosini

	Chair	Auditors
Board of Statutory Auditors	Giacinto Sarubbi	<p>Statutory:</p> <ul style="list-style-type: none">• Maurizio Leonardo Lombardi• Chiara Segala <p>Alternate:</p> <ul style="list-style-type: none">• Sonia Ferrero• Stefano Morri

Following its establishment, on May 17, 2017, the Board of Directors of A2A S.p.A.:

- appointed Luca Valerio Camerano as Chief Executive Officer, granting him extensive powers for the ordinary management and for the preparation of proposals for extraordinary operations of the Company;
- assigned to the Chair responsibilities concerning relationships with shareholders, institutions, authorities, the media, external relations, the management of activities relating to sustainability and social responsibility and the drafting of proposals for extraordinary operations of territorial aggregation.

During the same session, the Board of Directors also appointed three Board Committees, as indicated in the table below.

Control and Risks Committee	Remuneration and Appointments Committee	Sustainability and Territory Committee
<ul style="list-style-type: none">• Luigi De Paoli (Chair)• Enrico Corali• Gaudiana Giusti• Giovanni Comboni	<ul style="list-style-type: none">• Alessandra Perrazzelli (Chair)• Dina Ravera• Norberto Rosini	<ul style="list-style-type: none">• Giovanni Valotti (Chair)• Giambattista Brivio• Alessandro Fracassi• Maria Chiara Franceschetti

Introduction

Governance system and organizational structure of A2A

2019
Remuneration
Policy -
Summary

Section 1
2019
Remuneration
Policy

Section 2
Implementation
of the 2018
Remuneration
Policy

Subsequently, upon the proposal of the Remuneration and Appointments Committee, the Board of Directors introduced, as part of the Company's macro-organizational structure, the figure of the General Manager, assigning to the latter the powers for the operational management of the Company, and on May 22, 2017, entrusted this new role to Luca Valerio Camerano, already appointed Chief Executive Officer.

In view of this new assignment, Luca Valerio Camerano is linked to the Company with a collaboration contract for the role of Chief Executive Officer and with an employment contract for the role of General Manager.

2019 Remuneration Policy - Summary

The following tables (tables 1, 2, 3 and 4) provide a summary of the main elements of the remuneration structure defined for members of the Board of Directors, the members of the Board of Statutory Auditors, the General Manager and Key Executives.

Introduction

Governance system and organizational structure of A2A

2019 Remuneration Policy - Summary

Section 1
2019 Remuneration Policy

Section 2
Implementation of the 2018 Remuneration Policy

Table 1: Summary overview of the main elements of the remuneration structure defined for the Board of Directors

	Board of Directors			
	Chair	Vice-Chair	Chief Executive Officer	Members
Fixed Remuneration: Component not subject to any conditions for provision and determined on the basis of professional specialization and organizational role covered with the related responsibilities, reflecting the technical, professional and managerial skills	<p>It is composed of the remuneration received as Director (approved by Shareholders' Meeting at the time of appointment of the Board of Directors) in addition to the supplementary remuneration provided for the particular role and associated responsibilities.</p> <p>The Chair also receives additional remuneration for participation in the Committee for the Territory and Sustainability.</p>	<p>It is composed of the remuneration received as Director (approved by Shareholders' Meeting at the time of appointment of the Board of Directors) in addition to the supplementary remuneration provided for responsibility for the Internal Audit.</p> <p>The Vice-Chair also receives additional remuneration for participation in the Remuneration and Appointments Committee.</p>	<p>It is composed of the remuneration received as Director (approved by Shareholders' Meeting at the time of appointment of the Board of Directors) in addition to the supplementary remuneration (approved by the Board of Directors) for the particular role held and the associated responsibilities.</p>	<p>It is composed of:</p> <ul style="list-style-type: none">• Remuneration received as Director (approved by the Shareholders' Meeting at the time of appointment of the Board of Directors);• Any additional remuneration for participation in Board Committees.
Short-term variable incentives: Component that recognizes and rewards assigned goals and achievements in relation to annual budget goals	Not provided	Not provided	<p>Approved by the Board of Directors.</p> <p>An "access gate" is envisaged, which reduces or annuls the remuneration payable if the Group's economic-financial performance is not in line with the budget.</p> <p>The targets are predefined and assigned annually by the Board, after consultation with the Remuneration and Appointments Committee.</p> <p>For disbursement of remuneration, it is necessary to exceed a minimum achievement of targets; upon exceeding said minimum threshold, remuneration may vary linearly between 26.7% and 40% of Fixed Remuneration depending on the level of achievement of targets.</p>	Not provided
Long-term variable incentives	Not provided			

Non-monetary benefits: integrate the remuneration package in a Total Reward logic, mainly social security and assistance	Board of Directors			
	<ul style="list-style-type: none">• Insurance policies (occupational and non-occupational injury; permanent disability due to illness and life);• Supplementary health coverage;• Insurance for civil liability Directors, Auditors and Executives;• Car for mixed-use and use of fuel card.	<ul style="list-style-type: none">• Insurance policy occupational and non-occupational injuries;• Insurance for civil liability Directors, Auditors and Executives.	<ul style="list-style-type: none">• Insurance policies (occupational and non-occupational injury; permanent disability due to illness and life);• Supplementary health coverage;• Insurance for civil liability Directors, Auditors and Executives;• Car for mixed-use and use of fuel card.	<ul style="list-style-type: none">• Insurance policy occupational and non-occupational injuries;• Insurance for civil liability Directors, Auditors and Executives.
Severance: severance indemnities aimed at protecting the interests of the Group also from potential competitive risks	To date, there are no agreements between A2A and the directors in office that provide for indemnities in the event of resignation or revocation without just cause.			

Introduction

Governance system and organizational structure of A2A

2019 Remuneration Policy - Summary

Section 1
2019 Remuneration Policy

Section 2
Implementation of the 2018 Remuneration Policy

Table 2: Summary overview of the main elements of the remuneration structure defined for the Board of Auditors

	Board of Statutory Auditors	
	Chair	Statutory Auditors
Fixed Remuneration: Component not subject to any conditions for provision and determined on the basis of professional specialization and organizational role covered with the related responsibilities, reflecting the technical, professional and managerial skills	It is composed of the remuneration received as Chair of the Board of Auditors (approved by Shareholders' Meeting at the time of appointment of the Board of Auditors).	It is composed of the remuneration received as Auditor of the Board of Auditors (approved by Shareholders' Meeting at the time of appointment of the Board of Auditors).
Short and long-term variable incentives	Not provided	
Non-monetary benefits: integrate the remuneration package in a Total Reward logic, mainly social security and assistance	<ul style="list-style-type: none">• Insurance policy occupational and non-occupational injuries;• Insurance for civil liability Directors, Auditors and Executives.	<ul style="list-style-type: none">• Insurance policy occupational and non-occupational injuries;• Insurance for civil liability Directors, Auditors and Executives.
Severance: severance indemnities aimed at protecting the interests of the Group also from potential competitive risks	There are no agreements between A2A and the statutory auditors in office that provide for indemnities in the event of resignation or revocation without just cause.	

Table 3: Summary overview of the main elements of the remuneration structure defined for the General Manager

	General Manager
Fixed Remuneration: Component not subject to any conditions for provision and determined on the basis of professional specialization and organizational role covered with the related responsibilities, reflecting the technical, professional and managerial skills	It is approved by the Board of Directors and determined on the basis of the role, powers and responsibilities assigned.
Short-term variable incentives: Component that recognizes and rewards assigned goals and achievements in relation to annual budget goals	Approved by the Board of Directors. An "access gate" is envisaged, which reduces or annuls the remuneration payable if the Group's economic-financial performance is not in line with the budget. The targets are predefined and assigned annually by the Board, after consultation with the Remuneration and Appointments Committee. For disbursement of remuneration, it is necessary to exceed a minimum achievement of targets; upon exceeding said minimum threshold, remuneration may vary linearly between 26.7% and 40% of Fixed Remuneration depending on the level of achievement of targets.
Long-term variable incentives	Not provided
Non-monetary benefits: integrate the remuneration package in a Total Reward logic, mainly social security and assistance	<ul style="list-style-type: none">• Insurance policies (occupational and non-occupational injury; permanent disability due to illness and life);• Healthcare coverage provided for by the applied and supplementary National Collective Labour Contract;• Insurance for civil liability Directors, Auditors and Executives;• Car for mixed-use and use of fuel card.
Severance: severance indemnities aimed at protecting the interests of the Group also from potential competitive risks	The treatment and the end of employment responsibilities established by the law and by the national collective contract of reference as executive are provided for.

Introduction

Governance system and organizational structure of A2A

2019 Remuneration Policy - Summary

Section 1
2019 Remuneration Policy

Section 2
Implementation of the 2018 Remuneration Policy

Table 4: Summary overview of the main elements of the remuneration structure defined for Key Executives

	Key Executives
Fixed Remuneration: Component not subject to any conditions for provision and determined on the basis of professional specialization and organizational role covered with the related responsibilities, reflecting the technical, professional and managerial skills	<p>It is determined based on the role and responsibilities assigned as well as the professional specialization and technical, professional and managerial skills required and held.</p>
Short-term variable incentives: Component that recognizes and rewards assigned goals and achievements in relation to annual budget goals	<p>An “access gate” is envisaged, which reduces or annuls the remuneration payable if the Group's economic-financial performance is not in line with the budget.</p> <p>The targets, predefined and assigned annually, are:</p> <ul style="list-style-type: none">• economic-financial, operational and/or productivity targets related to the Group's performance and the achievement of the Group's business plan;• 1 - 2 common to all Key Executives;• 2 - 3 specific for organizational area of responsibility. <p>The Company has decided, starting in 2017, for all Group executives to assign a sustainability target, measurable, consistent with the 2020 Sustainability Plan and the 2030 Sustainability Policy.</p> <p>The remuneration value is:</p> <ul style="list-style-type: none">• assigned individually and determined based on the role and responsibilities assigned and balance (pay-mix) with Fixed Remuneration;• characterized by a range of fluctuation with:<ul style="list-style-type: none">• a minimum amount, payable only upon exceeding minimum achievement of the targets (15% - 25% of the RAL);• an amount at target payable upon achievement of 100% of the short-term targets assigned (20% - 30% of the RAL);• a maximum amount (“cap”) payable in conditions of over-performance (25% - 35% of the RAL).
Long-term variable incentives	Not provided
Non-monetary benefits: integrate the remuneration package in a Total Reward logic, mainly social security and assistance	<ul style="list-style-type: none">• Insurance policies (occupational and non-occupational injury; permanent disability due to illness and life);• Healthcare coverage provided for by the supplementary National Collective Labour Contract;• Insurance for civil liability Directors, Auditors and Executives;• Car for mixed-use and use of fuel card.
Severance: severance indemnities aimed at protecting the interests of the Group also from potential competitive risks	<p>The treatment and the end of employment responsibilities established by the law and by the national collective contract of reference as executives are provided for.</p>

Section 1 - 2019 Remuneration Policy

a. Preparation, approval and implementation of the Remuneration Policy: procedures, bodies and entities involved

The preparation, approval and implementation of the Remuneration Policy related to the members of the Board of Directors and Key Executives requires the involvement and contribution of various bodies and entities depending on the recipient to which it is addressed and specifically:

- Shareholders’ Meeting;
- Board of Directors;
- Remuneration and Appointments Committee;
- Chair and CEO;
- Human Resources, HSE, Organization and Change Management Division and Administration, Finance and Control Division.

Shareholders’ Meeting

Regarding remuneration, the Shareholders’ Meeting:

- defines the remuneration of the members of the Board of Directors as Directors. The remuneration is determined at the time of appointment of Directors;
- defines the remuneration of the members of the Board of Auditors. The remuneration is determined at the time of appointment of Auditors;
- resolution in favour or against (non-binding vote) on Section 1 of the Report provided for in article 123-ter, paragraph 3 of the CFA on the Company’s policy on remuneration of the members of the boards of directors and auditors, General Managers and Key Executives with reference at least to the following year.

On May 15, 2017, the Shareholders’ Meeting determined, for the period of office of the Board of Directors and the Board of Auditors, the following annual remuneration:

- 80,000 euro for the members of the Board of Directors;
- 130,000 euro for the Chair of the Board of Auditors;
- 80,000 euro for Statutory Auditors.

On April 27, 2018, the Shareholders’ Meeting also voted in favour on Section 1 of the 2018 Remuneration Report.

The figure below (figure 5) outlines the results of the advisory vote by the Shareholders’ Meeting of 2015 (June 11, 2015), 2016 (June 7, 2016), 2017 (May 15, 2017) and 2018 (April 27, 2018) on the Remuneration Report.

Introduction

Governance system and organizational structure of A2A

2019 Remuneration Policy - Summary

Section 1 2019 Remuneration Policy

a. Preparation, approval and implementation of the Remuneration Policy: procedures, bodies and entities involved

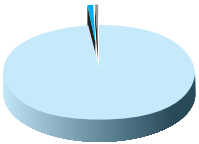
b. Aims and Principles of the Remuneration Policy

c. Detailed Structure of the Remuneration Policy

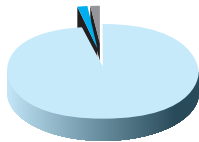
Section 2 Implementation of the 2018 Remuneration Policy

Figure 5: Results of the advisory vote by the Shareholders’ Meeting on the 2015, 2016, 2017 and 2018 Remuneration Reports

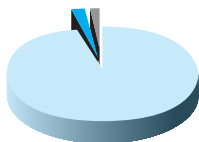
2015 Remuneration Report	
Total shares for which the vote was expressed	1,954,707,234
Share capital	3,132,905,277
% Shares for which the vote was expressed of Share capital	62.39%
	%
Favourable	98.63%
Against	1.07%
Abstention + Non-Voter	0.30%



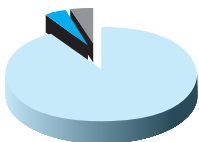
2016 Remuneration Report	
Total shares for which the vote was expressed	2,031,824,030
Share capital	3,132,905,277
% Shares for which the vote was expressed of Share capital	64.85%
	%
Favourable	96.39%
Against	1.97%
Abstention + Non-Voter	1.64%



2017 Remuneration Report	
Total shares for which the vote was expressed	2,222,579,359
Share capital	3,132,905,277
% Shares for which the vote was expressed of Share capital	70.94%
	%
Favourable	95.43%
Against	2.48%
Abstention + Non-Voter	2.09%



2018 Remuneration Report	
Total shares for which the vote was expressed	2,121,771,440
Share capital	3,132,905,277
% Shares for which the vote was expressed of Share capital	67.73%
	%
Favourable	92.04%
Against	3.72%
Abstention + Non-Voter	4.24%



Favourable
 Against
 Abstentions and non-Voters

Board of Directors

Regarding remuneration, the Board of Directors:

- established a Remuneration and Appointments Committee and determined the powers and rules of operation thereof, bearing in mind that at least one of the members of the Committee possesses adequate knowledge and experience in financial matters or remuneration policies;

and in accordance with the By-Laws of the Group:

- establishes, after consulting with the Remuneration and Appointments Committee, and the Board of Auditors, the remuneration for the Directors vested with particular offices, powers or functions by the By-laws or by the Board of Directors;
- may attribute special offices or special technical-administrative functions to one or more of its members, in this case resolving special compensation and particular remuneration, both upon conferment of the office and subsequently, after consulting with the Remuneration and Appointments Committee and the opinion of the Board of Auditors;
- approves the Remuneration Policy and submits it to the Shareholders’ Meeting called to resolve on the allocation of profits.

Furthermore, the Board of Directors, with the support of the Remuneration and Appointments Committee and, where necessary, the competent corporate organizational structures (Human Resources, HSE, Organization and Change Management and Administration, Finance and Control) is responsible for the preparation and implementation of the short-term incentive system of the CEO and the General Manager, setting the performance targets and approving the related level of achievement.

Regarding remuneration, in 2018, the Board of Directors:

- analysed and approved the short-term incentive system of the CEO and General Manager for 2018, upon the proposal of the Remuneration and Appointments Committee;
- certified, on the basis of the analyses and checks carried out by the Remuneration and Appointments Committee, the level of achievement of the objectives assigned to the Chief Executive Officer and the General Manager for 2017.

Remuneration and Appointments Committee

The Remuneration and Appointments Committee was established on May 17, 2017 by the Board of Directors with the composition indicated in table 6 and valid at the date of publication of this Report.

Table 6: Current Composition - Remuneration and Appointments Committee

Full name	Office	
Alessandra Perrazzelli	Committee Chair	Independent Board Director pursuant to art. 148 CFA and criteria 3.C.1 of the Corporate Governance Code.
Dina Ravera	Committee Member	Independent Board Director pursuant to art. 148 CFA and criteria 3.C.1 of the Corporate Governance Code.
Norberto Rosini	Committee Member	Independent Board Director pursuant to art. 148 CFA and criteria 3.C.1 of the Corporate Governance Code.

Introduction

Governance system and organizational structure of A2A

2019 Remuneration Policy - Summary

Section 1 2019 Remuneration Policy

a. Preparation, approval and implementation of the Remuneration Policy: procedures, bodies and entities involved

b. Aims and Principles of the Remuneration Policy

c. Detailed Structure of the Remuneration Policy

Section 2 Implementation of the 2018 Remuneration Policy

The Remuneration and Appointments Committee has the task of assisting the Board of Directors with investigative, advisory and proposal functions.

In particular, the Committee is attributed the following tasks:

- periodically assess the adequacy, overall consistency and concrete application of the remuneration policy of Directors and Key Executives, availing itself, in this latter context, of the information provided by the Chief Executive Officers;
- submit proposals to the Board of Directors on the matter;
- submit proposals or express opinions to the Board of Directors on the remuneration of Executive Directors and other Directors who hold specific offices or functions and also on the establishment of performance targets related to the variable component of said remuneration;
- assess the possibility of setting up long-term incentive systems for the Chair, CEO and first-level Management;
- monitor the implementation of decisions taken by the Board itself, verifying, in particular, the actual achievement of performance targets;
- previously examine the Annual Remuneration Report to be made available to the public in view of the Shareholders' Meeting for the annual financial statements;
- propose to the Board of Directors candidates for the office of Director in cases of co-option, if it is necessary to replace independent Directors;
- perform preliminary investigation on the drafting of the plan for the succession of executive Directors, if the Board of Directors has assessed the adoption of said plan;
- submit to the Board of Directors proposals for the appointment and remuneration in the corporate bodies of the subsidiaries on the basis of the "Guidelines for the appointment and remuneration of members of the corporate bodies of investees";
- perform any other tasks assigned by the Board of Directors.

For the effective performance of its analysis and investigation functions, the Committee may access the company information required and seek the operational support of the competent organizational structures.

In the terms established by the Board of Directors and the within the limits of the annual budget approved by the Board of Directors, the Committee, if it deems it appropriate, may also seek the consultancy of external expert companies on issues addressed, provided that they do not maintain relations with the Group such as to affect the independence of judgement.

The Committee shall meet as often as necessary for the proper performance of its functions. For the meetings to be valid, the presence of the majority of the members in office shall be required.

The resolutions may be adopted only with the favourable vote of the majority of members in office.

Committee meetings are also attended by the Chair of the Board of Auditors, who may designate another Statutory Auditor to attend in place. However, they can also be attended by the other Statutory Auditors.

The meetings are also attended by the Head of Human Resources, HSE, Organization and Change Management identified, on the basis of skills and corporate responsibilities assigned, secretary of the Committee.

If necessary, meetings may also be attended by other members of the Board of Directors or heads of the company functions or third parties, whose presence may be of support to the activities of the Committee.

However, no Director may attend meetings in which proposals are formulated to the Board of Directors regarding their remuneration.

The meeting calls contain an indication of the topics on the agenda and shall be sent at least three business days before the date set (except in cases of urgency in which the term is reduced to one day), to each member of the Committee and members of the Board of Auditors.

In 2018, the Committee met 17 times; the participation of its members was 100%. All meetings were regularly held by prior call sent to all parties concerned and for each meeting, minutes were prepared outlining the issues addressed and the decisions taken. The meetings were always attended by the entire Board of Auditors. In some cases, the meetings were also attended by other parties invited by the Committee Chair.

The detailed information regarding the Committee’s operating mechanism is available on the Regulation published on the website www.a2a.eu (section “Governance” – “Committees”).

In 2018, the Committee:

- analysed the proposals for appointment of the members of the governing bodies of investees, examining the Curricula Vitae of the candidates and expressing opinion for subsequent resolution in the Board of Directors;
- analysed the level of achievement of the targets for 2017 assigned to the CEO and the General Manager and in particular:
 - verified, at the same time as the definition of the draft financial statements, the level of achievement of the economic-financial targets;
 - analysed in detail the result of the targets of specific projects;
 - for the qualitative assessment of the work of the CEO, collected the contributions of the Board Directors expressed according to predefined criteria;
- defined the proposal, to be submitted to the Board of Directors, for the short-term incentive system of the CEO and the General Manager for 2018;
- analysed the performance of the Shareholders’ Meeting voting from 2012 to 2018, comparing it with the trend of comparable companies by sector and examined the opinions and suggestions presented in the Shareholders’ Meeting of 2018 by the shareholders, including institutional investors;
- analysed, with the support of the external consulting company Mercer, the possibility of introducing a long-term incentive system for top management, studying an implementation scheme. The study, which was also carried out with the support of the Human Resources, HSE, Organization and Change Management Departments, was completed in 2018. After a thorough evaluation, the Committee has - at the moment - suspended the activity in question.

In 2018, the Committee also:

- discussed and approved the guidelines for the composition and remuneration of the Supervisory Board of Group Companies, also assessing the specific case in which the Board of Statutory Auditors is also assigned the functions of the Supervisory Board;
- discussed and approved an update of the guidelines on reimbursement of expenses incurred by the directors and statutory auditors of A2A S.p.A. which specifically sets out the types of reimbursable expenses, the maximum amount reimbursable and the operating procedures for the presentation of reimbursement requests.

At the end of 2018, the Committee also planned the activities to be carried out during the following year.

As of April 3, 2019, the Committee has already held 4 meetings, which dealt with the following topics:

- Appointment and remuneration in the corporate bodies of investees with the definition of proposals to be submitted to the Board of Directors;
- Short-term incentive systems of the CEO and General Manager for the purpose of both definition of the proposal for the year 2019 and verification of achievement of performance targets for the year 2018;
- Remuneration Report with the preparation of this document to be submitted for approval to the Board of Directors;
- Analysis of the succession plan of the Group’s managers. Specifically, the Committee discussed the succession plan, prepared by Top Management, with the support of Human Resources, HSE, Organization and Change Management, aimed at highlighting possible substitutes for the holders of approximately 170 company positions over a time horizon of 12 months, 24 months and 36 months, focusing on the situation of the first line of business;

Introduction

Governance system and organizational structure of A2A

2019 Remuneration Policy - Summary

Section 1
2019 Remuneration Policy

a. Preparation, approval and implementation of the Remuneration Policy: procedures, bodies and entities involved

b. Aims and Principles of the Remuneration Policy

c. Detailed Structure of the Remuneration Policy

Section 2
Implementation of the 2018 Remuneration Policy

- Revision of the criteria for the identification of Key Executives. Specifically, the Committee, with the support of Mercer, a specialist external advisor and leader in the sector, carried out an in-depth analysis of the “Regulation of transactions with related parties” (Consob) and of the practices adopted by large listed companies in the “Multi-utilities” or similar sector and, on the basis of the results of the study and the specific characteristics of the Group, formulated a proposal for criteria for the identification of Key Executives. This proposal was approved by the Board of Directors in February 2019. .

Chair and CEO

The remuneration policies for executive personnel, including Key Executives, are defined as follows:

- the Chair limited to the managerial staff exclusively and directly under, after consulting the Chief Executive Officer;
- the Chief Executive Officer for all executives with the exception of the General Manager, which is the sole responsibility of the Board of Directors, and of the executives that report to the Chair of the Board of Directors.

In the same manner, the Chair and General Manager are also responsible for managing all contractual and organizational aspects of the other employees of the A2A Group.

Human Resources, HSE, Organization and Change Management and Administration, Finance and Control

Activities pertaining to the Remuneration Policy of the Board of Directors and Key Executives also involve:

- Human Resources, HSE, Organization and Change Management for technical-specialist assistance on remuneration issues and for the elaboration of support analyses such as, by way of example but not limited to, monitoring of internal remuneration and market trends; studies and benchmarks of market practices and trends; analysis of remuneration levels in terms of internal equity and competitiveness with respect to markets selected as reference;
- Administration, Finance and Control for the identification and valorisation of quantitative parameters underlying the variable incentive systems and the ex-post assessment of their level of achievement

b. Aims and Principles of the Remuneration Policy

The A2A Remuneration Policy aims to:

- attract, retain and motivate people with the professional skills necessary to successfully manage the Company;
- align the interests of its people to the pursuit of the priority target of creating value for shareholders and the achievement of predetermined economic results, through the use of variable components;
- recognize the professional merit and compliance with the Code of Ethics of the Company and integrity of conduct;
- guarantee fair conditions within the organization and competitiveness with respect to other companies of comparable sectors in terms of business and size.

In the definition of the Remuneration Policy, the Board of Directors therefore applies the following criteria:

- Remuneration consistent with responsibilities assigned and activities managed:
 - The remuneration of Directors who hold special offices (Chair, CEO and General Manager) or functions (Vice-Chair), or members of the Board Committees, was defined considering responsibilities/powers assigned and the level of operations and the intensity of work required. For their determination, the remuneration practices of companies selected as reference panel were also analysed;
 - The remuneration of Key Executives was also defined and updated on the basis of the “complexity” of the activities managed, evaluated by applying an internationally recognized and certified methodology, and on the level of coverage of the organizational position assigned;

- The fixed component of the remuneration, not subject to performance conditions for disbursement, is also such to compensate the activities managed even if the variable component, if applicable, is not disbursed.
- Link between variable remuneration and corporate performance:
 - The fixed component and the variable component are properly balanced according to the strategic objectives and the Company’s risk management policy, also taking account of the sector and the characteristics of the activity in which it operates;
 - The variable incentive system provides an access mechanism that cancels or significantly reduces the bonus payable in the event of Company performance not in line with forecasts;
 - The targets assigned are predetermined, measurable and economic-financial, operational and/or productivity targets related to the Group’s performance and the achievement of the Group’s business plan;
 - Maximum limits are provided for the variable component.
- Recognition of wage increases for merit in compliance with the Code of Ethics and conduct integrity:
 - The individual results obtained and the conduct for the achievement thereof are periodically measured in order to apply meritocratic management;
 - Adherence to conduct in compliance with the Company’s Code of Ethics and integrity of conduct are also verified and evaluated.

c. Detailed Structure of the Remuneration Policy

The structure of the Remuneration Policy for the year 2019, described in detail below, reflects the decisions made regarding remuneration on May 15, 2017 by the Shareholders’ Meeting, May 17 and May 22, 2017 by the Board of Directors.

c1. Remuneration of the members of the Board of Directors, excluding the Chairman, Vice-Chairman and CEO

The remuneration of the individual Board Directors, not vested with special offices, powers or functions, consists of:

- the fixed annual gross remuneration, approved by the Shareholders’ Meeting upon appointment, received as Board member and equal to 80,000 euro/year;
- the fixed annual gross remuneration, approved by the Board of Directors, for participation in the Board Committees, according to as indicated in table 7. Said remuneration is commensurate to the commitment required and therefore has different amounts for the Control and Risk Committee, in terms of greater commitment required, and the Chair, in view of the role assigned for work coordination and liaison with the corporate bodies and corporate functions.

Table 7: Annual gross fixed remuneration for participation in Board Committees

Comitee	Emolument for participation in Committees (euro/year)	
	Chair	Member
Control and Risks	30,000	20,000
Remuneration and Appointments	20,000	19,000
Sustainability and Territory	20,000	19,000

No attendance tokens are provided for meetings of the Board Committees nor, in consideration of the non-executive role, variable monetary incentive systems based on financial instruments or equity.

The remuneration for participation in Board Committees was approved in 2014 and subsequently confirmed in 2017 by the Board of Directors considering:

- the Remuneration practices of the major companies in the FTSE MIB index;

Introduction

Governance system and organizational structure of A2A

2019 Remuneration Policy - Summary

Section 1
2019 Remuneration Policy

a. Preparation, approval and implementation of the Remuneration Policy: procedures, bodies and entities involved

b. Aims and Principles of the Remuneration Policy

c. Detailed Structure of the Remuneration Policy

Section 2
Implementation of the 2018 Remuneration Policy

- the method of operation of the Board Committees of the leading companies in the FTSE MIB index and Italian companies in the multi-utilities sector;
- the responsibilities assigned as well as the level of operations and the intensity of work required by the Board Committees;
- the role specificity of the Control and Risks Committee.

c2. Remuneration of the Chair of the Board of Directors

The remuneration package of the Chair of the Board of Directors includes:

- fixed annual gross remuneration, approved by the Shareholders' Meeting, received as Board member and equal to 80,000 euro/year;
- fixed annual gross remuneration, approved by the Board of Directors, for participation in the Board Committees, according to as indicated in table 7;
- fixed remuneration for the specific office of Chair for 250,000 euro/year gross, in addition to the two amounts above.

Even for the Chair no attendance tokens are provided for meetings of the Board Committees; moreover, repayment is provided for any remuneration received for participation, as Director, in the Boards of Directors of investees.

The remuneration package of the Chair is completed by the provision of non-monetary benefits provided to the managerial staff of the Group (details provided in paragraph c7).

Also considering the type of non-employment contract of the Executive Chair with the Company, the Company pays and exclusively undertakes pension contributions in separate management.

The remuneration of the Chair described above was approved in 2017 by the Board of Directors considering:

- the remuneration practices of companies with similar characteristics to A2A;
- the executive nature and the strategic importance of the Chair;
- the responsibilities, delegations and powers attributed.

c3. Remuneration of the Vice-Chair of the Board of Directors

The remuneration package of the Vice-Chair of the Board of Directors includes:

- fixed annual gross remuneration, approved by the Shareholders' Meeting, received as Board member and equal to 80,000 euro/year;
- fixed annual gross remuneration, approved by the Board of Directors, for participation in the Board Committees, according to as indicated in table 7;
- a fixed compensation for the responsibility of the Internal Audit of the Group for 40,000 euro/year gross, in addition to the two amounts above.

Even for the Vice-Chair, no attendance tokens are provided for meetings of the Board Committees.

c4. Remuneration of the Chief Executive Officer

The remuneration package of the CEO includes:

- fixed annual gross remuneration, approved by the Shareholders' Meeting, received as Board member and equal to 80,000 euro/year;
- fixed remuneration for the specific office of CEO for 120,000 euro/year gross, in addition to the amount above.
- annual variable remuneration linked to the achievement of short-term targets assigned annually by the Board of Directors, with a maximum payable value of 40% of the total emolument (200,000 euro=120,000 euro+80,000 euro) and therefore 80,000 euro/year.

The annual variable remuneration envisages:

- an “access gate”, based on EBITDA of the Company in the 2019 and Industrial Cash Flow of the Company at 12/31/2019, which reduces by 30% or annuls the remuneration payable if the Group’s economic-financial performance is not in line with the budget of the year of reference;
- five targets:
 1. EBITDA (25% weight) of the Company in financial year 2019;
 2. Industrial Cash Flow (25% weight) of the Company at 12/31/2019;
 3. Strategic projects for the Group (27% weight) identified by the Board of Directors;
 4. Sustainability Target (10% weight);
 5. Qualitative assessment of the Board of Directors on the work of the Chief Executive Officer (weight 13%).

In particular:

- EBITDA and Industrial Cash Flow: are set, as targets, on the budget value for the reference year;
- Strategic projects for the Group: strategic actions have been identified and assigned by the Board of Directors, linked to the Multi-utility of the North, to LGH, to the effective management of the situation in Montenegro and to the growth by external lines of the Group;
- Sustainability target: the Board of Directors has decided to assign the same target to the Chief Executive Officer and to the General Manager, maintaining the operating mechanism envisaged in 2018, i.e. achievement calculated on the average of the achievements of the individual targets assigned to the Executives reporting directly to the General Manager. The Board of Directors also decided to maintain the relevance of the target, confirming the weight of 10%. In particular, managers reporting directly to the General Manager are assigned objectives in the Sustainability Plan. The second part of this document sets out - for macro-items - the objectives envisaged for 2018;
- Qualitative assessment of the Board of Directors on the work of the CEO: the Board of Directors has decided to maintain this target in order to analyse and consider strategic elements that are not related to the outcome of short-term targets. This assessment will be performed ex post through a structured process, coordinated by the Chair of the Remuneration and Appointments Committee, with the involvement of the Chair of the Board of Auditors.

In addition to the “access gate”, it is required to achieve a minimum of the objectives below which the remuneration shall not be paid; upon exceeding said minimum achievement, the remuneration may vary linearly between 26.7% and 40% of the total emolument (200,000 euro) depending on the level of achievement of objectives.

The 40% of the overall emolument (80,000 euro) represents a maximum amount (“Cap”) above which, even in the presence of over-performance of the Company and the CEO, no further increase of the amount due shall be provided.

The remuneration of the CEO described above was approved by the Board of Directors in 2017 considering:

- the remuneration practices of companies with similar characteristics to A2A;
- the responsibilities and powers attributed.

Even for the CEO, repayment is provided for any remuneration received for participation, as Director, in the Boards of Directors of investees.

Also considering the type of non-employment contract of the Chief Executive Officer with the Company, the Company pays and exclusively undertakes pension contributions in separate management.

Introduction

Governance system and organizational structure of A2A

2019 Remuneration Policy - Summary

Section 1
2019 Remuneration Policy

a. Preparation, approval and implementation of the Remuneration Policy: procedures, bodies and entities involved
b. Aims and Principles of the Remuneration Policy

c. Detailed Structure of the Remuneration Policy

Section 2
Implementation of the 2018 Remuneration Policy

c5. Remuneration of the General Manager

The remuneration package of the General Manager includes:

- a fixed remuneration of 500,000 euro/year gross;
- annual variable remuneration linked to the achievement of short-term targets assigned annually by the Board of Directors, with a maximum payable value of 40% of the fixed remuneration (500,000 euro) and therefore 200,000 euro/year.

The annual variable remuneration envisages:

- an “access gate”, based on EBITDA of the Company in the 2019 and Industrial Cash Flow of the Company at 12/31/2019, which reduces by 30% or annuls the remuneration payable if the Group's economic-financial performance is not in line with the budget of the year of reference;
- four targets:
 1. EBITDA (25% weight) of the Company in financial year 2019;
 2. Industrial Cash Flow (25% weight) of the Company at 12/31/2019;
 3. Strategic projects for the Group (40% weight) identified by the Board of Directors;
 4. Sustainability Target (10% weight).

In particular:

- EBITDA and Industrial Cash Flow: are set, as targets, on the budget value for the reference year;
- Strategic projects for the Group: five strategic actions for the maintenance and development of the business strictly related to the business plan have been identified and assigned by the Board of Directors:
 - Development of projects in the Waste BU;
 - Development of innovative solutions at the service of the city;
 - Development of the commercial customer base;
 - Development of projects in the field of energy management;
- Sustainability target: the Board of Directors has decided to assign the same target to the Chief Executive Officer and to the General Manager, maintaining the operating mechanism envisaged in 2018, i.e. achievement calculated on the average of the achievements of the individual targets assigned to the Executives reporting directly to the General Manager. The Board of Directors also decided to maintain the relevance of the target, confirming the weight of 10%. In particular, managers reporting directly to the General Manager are assigned objectives in the Sustainability Plan. The second part of this document sets out - for macro-items - the objectives envisaged for 2018.

c6. Remuneration of Key Executives

Following its assignment in May 2017, the Board of Directors had decided to temporarily maintain the criteria for identifying the organizational positions of the A2A Group with strategic responsibilities defined by the previous Board.

After an in-depth study, carried out by the Remuneration and Appointments Committee, on market practices, in February 2019, the Board of Directors decided to modify the criteria adopted.

As indicated in the Remuneration Report published last year until 2018, recognized as Key Executives were organizational positions with a significant impact on the Group performance and that, for proper management, require the individual to have high professional knowledge and experience, significant managerial autonomy and a strategic vision over a medium to long term time horizon.

In 2019, the Board of Directors, on the proposal of the Remuneration and Appointments Committee, decided to change the criteria, introducing above all a close link with the Business Plan.

Specifically, the Board of Directors has approved the following criteria for identifying organizational positions with strategic responsibilities:

- Position in the organization chart as the first line of reporting to the Chief Executive Officer or General Manager;
- Effectiveness of the powers assigned through specific proxies;
- Effective possibility of impacting the Group’s current business as well as its evolution and future prospects
- Be a priority for the implementation of the Strategic Plan.

According to the above:

- In 2018, according to the criteria valid before the February 2019 audit, there were 9 positions in the Group with strategic responsibilities, covered, as at December 31, 2018, by 8 holders;
- In 2019, according to the criteria approved by the Board of Directors in February 2019, there were 8 positions in the Group with strategic responsibilities, covered, at the date of this document, by 7 holders.

The remuneration packages of Key Executives include:

- an annual fixed gross amount determined:
 - based on the role and responsibilities assigned considering the average salary levels applied to roles of comparable complexity, by national companies comparable in size;
 - based on professional specialization and technical, and managerial skills required and held;
- a short-term variable component related to individual targets with a target value equal to approximately 20%-30% of the annual gross fixed amount.

The value of the compensation is characterized by a range of fluctuations with a minimum amount (80% of the target value), payable only when the minimum objectives have been achieved, a target amount, payable when 100% of the short-term objectives assigned have been achieved, and a maximum amount (“cap”; 120% of the target value) payable under over-performance conditions.

The annual variable remuneration envisages:

- in line with the Chief Executive Officer and General Manager, an “access gate”, based on EBITDA of the Company in the 2019 and Industrial Cash Flow of the Company at 12/31/2019, which reduces or annuls the remuneration payable if the Group’s economic-financial performance is not in line with the budget of the year of reference;
- the following targets:
 - Achievement of the EBITDA of the area of competence envisaged in the budget, for Key Executives responsible for Business Units;
 - Respect of budget costs for the area of competence;
 - Strategic projects for the Group regarding business development, excellence and operational efficiency and innovation;
 - Achievement of the sustainability targets envisaged in the plan.

A long-term incentive plan is not currently available for Key Executives.

Introduction

Governance system and organizational structure of A2A

2019 Remuneration Policy - Summary

Section 1
2019 Remuneration Policy

a. Preparation, approval and implementation of the Remuneration Policy: procedures, bodies and entities involved
b. Aims and Principles of the Remuneration Policy

c. Detailed Structure of the Remuneration Policy

Section 2
Implementation of the 2018 Remuneration Policy

c7. Non-monetary benefits

The Directors, excluding the Chair and Chief Executive Officer, and the members of the Board of Auditors (including the Chair) shall receive as non-monetary benefits:

- Insurance policy occupational and non-occupational injuries;
- Insurance for civil liability Directors, Auditors and Executives.

Instead, the Chair, Chief Executive Officer, General Manager and Key Executives shall receive non-monetary benefits similar to those provided to top management:

- insurance policies (occupational and non-occupational injury; permanent disability due to illness and life);
- supplementary health coverage;
- insurance for civil liability Directors, Auditors and Executives;
- car for mixed-use and use of fuel card.

c8. Indemnities in the event of termination of office or termination of employment

Specific indemnities for end of term or agreements that provide indemnities in the event of termination of office, for non-executive Board Directors, the Chair of the Board of Directors, the Chief Executive Officer, the General Manager and Key Executives are not provided.

In the absence of specific agreements:

- the non-executive Board Directors, the Chair of the Board of Directors and the CEO are not recognized indemnities;
- for the General Manager and Key Executives linked to the Company through employment, an indemnity is provided according to as established by the national collective agreement of reference.

c9. Deferral of cash components and claw-back clauses

To date, there are no mechanisms for deferment in the payment of the fixed or variable component.

In addition, the remuneration policy of A2A does not include ex-post correction mechanisms in the form of claw-back clauses.

c10. Benchmark of other companies on remuneration policies

The preparation of the guidelines and the evaluation of the policies implemented are carried out with the support of Mercer, an external advisor specialized and leader in the sector, using salary benchmarks.

The salary references used are indicated below:

- Chief Executive Officer and General Manager: Italian companies belonging to the FTSE MIB index, with the exception of financial sectors/departments;
- Key Executives: companies of the "Mercer Executive Remuneration Guide", a survey conducted in 12 European countries that provides market data by country and analytical tools to support the evaluation and definition of the remuneration of Executive roles. The survey covers 85 roles and provides information on all elements of the pay package.

Section 2 - Implementation of the 2018 Remuneration Policy

As stated in the first section of this Report and in the same document published in 2018:

- on May 15, 2017, the Shareholders’ Meeting appointed the Board of Directors and the Board of Statutory Auditors for the three-year period 2017-2019, defining the annual remuneration for the office of Board Director and Member of the Board of Auditors;
- on May 17, 2017, the Board of Directors appointed Luca Valerio Camerano as Chief Executive Officer and set up three Committees, indicating their members;
- on May 22, 2017, the Board of Directors attributed to Luca Valerio Camerano, already appointed Chief Executive Officer, also the role and functions of General Manager;
- on May 22, 2017, the Board of Directors approved the compensation for the Chair, Vice-Chair, Chief Executive Officer, General Manager and Committee Members.

With respect to the foregoing, described below is the remuneration paid in 2018 to:

- Members of the Board of Directors;
- Members of the Board of Auditors;
- General Manager;
- Key Executives.

As described below is annexed (tables 1 and 3b) according to the standard established by Consob.

Members of the Board of Directors, excluding the Chief Executive Officer

The members of the Board of Directors were paid remuneration consistent with as described in Section 1 (paragraphs c1, c2 and c3) of this Report.

Specifically in 2018, each Board Director was paid following amounts:

- fixed gross remuneration, approved by the Shareholders’ Meeting, received as Board member and equal to 80,000 euro/year;
- a fixed gross amount, approved by the Board of Directors, for participation in the Board Committees, according to the following scheme (table 8).

In addition to the above amounts, as approved by the Board of Directors, the Chairman was paid an amount of 250,000 euro/year for the specific office assigned while the Vice-Chairman was paid an amount of 40,000 euro/year for the responsibility of the Internal Audit.

Table 8: Gross fixed remuneration paid for participation in Board Committees

Committee	Emolument for participation in Committees (amounts in euro)	
	Chair	Member
Control and Risks	30,000 €	20,000 €
Remuneration and Appointments	20,000 €	19,000 €
Sustainability and Territory	20,000 €	19,000 €

In accordance with the By-Laws of A2A, members of the Board of Directors were paid an amount equal to the reimbursement of expenses actually incurred by virtue of their office.

The annexed table (1a) also indicates, for Directors, the value of non-monetary benefits recognized.

Introduction

Governance system and organizational structure of A2A

2019 Remuneration Policy - Summary

Section 1 2019 Remuneration Policy

a. Preparation, approval and implementation of the Remuneration Policy: procedures, bodies and entities involved
b. Aims and Principles of the Remuneration Policy

c. Detailed Structure of the Remuneration Policy

Section 2 Implementation of the 2018 Remuneration Policy

Chief Executive Officer

In 2018, the following amounts were paid to the Chief Executive Officer:

- fixed gross remuneration, approved by the Shareholders' Meeting, received as Board member and equal to 80,000 euro/year;
- a fixed gross amount, approved by the Board of Directors for the specific office assigned, amounting to 120,000 euro/year.

At the beginning of 2018, the Board of Directors assigned the following objectives to the Chief Executive Officer with regard to the variable component of remuneration:

- EBITDA (weight 25%), with a target set at the budget value of the reference year;
- Industrial Cash Flow (weight 25%) with a target set at the budget value of the reference year;
- Strategic projects for the Group (total weight 27%, equally distributed) concerning three strategic actions to maintain and develop the business;
- Sustainability target (weight 10%) measured as the average of the achievements of the sustainability targets assigned to the Executives directly under. Specifically, Executives reporting directly had been assigned related objectives (non-exhaustive list): accident reduction, circular economy, energy from renewable sources, reduction of carbon footprint, electric mobility, digitalization and dematerialization, work-life balance of employees, reduction of CO2 emissions, smart land;
- Qualitative assessment of the Board of Directors on the work of the Chief Executive Officer (weight 13%).

At the beginning of 2019, the Board of Directors, with the support of the Remuneration and Appointments Committee, verified and certified the level of achievement of the targets indicated above (EBITDA 109.6% and Industrial Cash Flow 120.0%, Strategic Projects 120%, Sustainability target 116.5% and 120.0% for the qualitative assessment) calculating the consequent % of total achievement (equal to 117.0%), with respect to which the CEO was paid a variable remuneration of 78,000 euro.

The annexed table (1a) also indicates, for the CEO, the value of non-monetary benefits recognized.

Members of the Board of Auditors

The members of the Board of Auditors were paid the following remuneration, approved by the Shareholders' Meeting of May 15, 2017.

In particular, the following were paid:

- to the Chair, a fixed gross remuneration of 130,000 euro/year;
- to the Statutory Auditors, a fixed gross remuneration of 80,000 euro/year.

Finally, in accordance with the By-Laws of A2A, members of the Board of Auditors were paid an amount equal to the reimbursement of expenses actually incurred by virtue of their office.

The annexed table (1b) also indicates, for the Chair and for the Statutory Auditors, the value of non-monetary benefits recognized.

General Manager

In 2018, as a fixed component, the General Manager was paid 500,000 euro/year.

At the beginning of 2018, the Board of Directors assigned the following objectives to the General Manager with regard to the variable component of remuneration:

- EBITDA (weight 25%), with a target set at the budget value of the reference year;
- Industrial Cash Flow (weight 25%) with a target set at the budget value of the reference year;
- Strategic projects for the Group (total weight 40%, equally distributed) concerning five strategic actions to maintain and develop the business;

- Sustainability target (weight 10%) measured as the average of the achievements of the sustainability targets assigned to the Executives directly under. Specifically, Executives reporting directly had been assigned related objectives (non-exhaustive list): accident reduction, circular economy, energy from renewable sources, reduction of carbon footprint, electric mobility, digitalization and dematerialization, work-life balance of employees, reduction of CO2 emissions, smart land.

At the beginning of 2019, the Board of Directors, with the support of the Remuneration and Appointments Committee, verified and certified the level of achievement of the targets indicated above (EBITDA 109.6% and Industrial Cash Flow 120.0%, Strategic Projects 119.3%, Sustainability target 116.5%) calculating the consequent % of total achievement (equal to 116.8%), with respect to which the General Manager was paid a variable remuneration of 194,667 euro.

Key Executives

In 2018, by way of a fixed component, Key Executives were paid a total of 1,965,000 euro/year; the total of the variable component of the remuneration totalled 639,900 euro, with respect to an average achievement of the targets assigned of 106.7%.

Introduction

Governance system and organizational structure of A2A

2019 Remuneration Policy - Summary

Section 1
2019 Remuneration Policy

Section 2
Implementation of the 2018 Remuneration Policy

TABLE 1: Compensation paid to members of administration and control bodies, general managers and other key executives

1/a - Compensation to the Board of Directors (amounts in €)

(A) Surname and Name	(B) Office	(C) Period for which the office was covered		(D) End of term	(1) Fixed compensation	
		from	to			
Valotti Giovanni	Chair A2A S.p.A.	01.01.2018	12.31.2018	12.31.2019	263,558 (*)	
	Director A2A S.p.A.	01.01.2018	12.31.2018	12.31.2019	80,000	
Perrazzelli Alessandra	Vice Chair A2A S.p.A.	01.01.2018	12.31.2018	12.31.2019	40,000	
	Director A2A S.p.A.	01.01.2018	12.31.2018	12.31.2019	80,000	
Camerano Luca Valerio	CEO A2A S.p.A.	01.01.2018	12.31.2018	12.31.2019	128,195 (*)	
	Director A2A S.p.A.	01.01.2018	12.31.2018	12.31.2019	80,000	
Brivio Giambattista	Director A2A S.p.A.	01.01.2018	12.31.2018	12.31.2019	80,000	
Comboni Giovanni	Director A2A S.p.A.	01.01.2018	12.31.2018	12.31.2019	80,000	
Coralì Enrico	Director A2A S.p.A.	01.01.2018	12.31.2018	12.31.2019	80,000	
De Paoli Luigi	Director A2A S.p.A.	01.01.2018	12.31.2018	12.31.2019	80,000	
Fracassi Alessandro	Director A2A S.p.A.	01.01.2018	12.31.2018	12.31.2019	80,000	
Franceschetti Maria Chiara	Director A2A S.p.A.	01.01.2018	12.31.2018	12.31.2019	80,000	
Giusti Gaudiana	Director A2A S.p.A.	01.01.2018	12.31.2018	12.31.2019	80,000	
Ravera Secondina Giulia	Director A2A S.p.A.	01.01.2018	12.31.2018	12.31.2019	80,000	
Rosini Norberto	Director A2A S.p.A.	01.01.2018	12.31.2018	12.31.2019	80,000	
(I) Compensation in the company drafting the Financial Statements					1,391,754	
(II) Compensation from Subsidiaries and Associates						
(III) TOTAL					1,391,754	

(*) The amounts indicated include grossed up expenses. As indicated in the first section of this document, considering the type of non-employment contract of the Executive Chair and Chief Executive Officer with the Company, the Company pays and exclusively undertakes pension contributions in separate management.

1/b - Compensation to the Board of Auditors (amounts in €)

(A) Surname and Name	(B) Office	(C) Period for which the office was covered		(D) End of term	(1) Fixed compensation	
		from	to			
Sarubbi Giacinto Gaetano	Chair	01.01.2018	12.31.2018	12.31.2019	130,000	
Lombardi Maurizio Leonardo	Standing Auditor	01.01.2018	12.31.2018	12.31.2019	80,000	
Segala Chiara	Standing Auditor	01.01.2018	12.31.2018	12.31.2019	80,000	
(I) Compensation in the company drafting the Financial Statements					290,000	
(II) Compensation from Subsidiaries and Associates						
(III) TOTAL					290,000	

Introduction

Governance system and organizational structure of A2A

2019 Remuneration Policy - Summary

Section 1
2019 Remuneration Policy

Section 2
Implementation of the 2018 Remuneration Policy

	(2)	(3)		(4)	(5)	(6)	(7)	(8)
	Compensation for participation in Committees (**)	Non-equity variable compensation		Non-monetary benefits	Other remuneration	TOTAL	Fair value of equity compensation	Indemnity for end of term or termination of employment
		Bonuses and other incentives	Participation in the profits					
	20,000 (1)			8,126		271,685		
						100,000		
	20,000 (2)			334		40,334		
						100,000		
		78,000		7,729		213,924		
						80,000		
	19,000 (3)			334		99,334		
	20,000 (4)			334		100,334		
	20,000 (5)			334		100,334		
	30,000 (6)			334		110,334		
	19,000 (7)			334		99,334		
	19,000 (8)			334		99,334		
	20,000 (9)			334		100,334		
	19,000 (10)			334		99,334		
	19,000 (11)			334		99,334		
	225,000	78,000		19,199		1,713,953		
	225,000	78,000		19,199		1,713,953		

	(2)	(3)		(4)	(5)	(6)	(7)	(8)
	Compensation for participation in Committees (**)	Non-equity variable compensation		Non-monetary benefits	Other remuneration	TOTAL	Fair value of equity compensation	Indemnity for end of term or termination of employment
		Bonuses and other incentives	Participation in the profits					
				424		130,424		
				334		80,334		
				334		80,334		
				1,092	-	291,092		
				1,092	-	291,092		

1/c - Compensation to the General Manager (amounts in €)

(A)	(B)	(C)		(D)	(1)	
Surname and Name	Office	Period for which the office was covered		End of term	Fixed compensation	
		from	to			
Luca Valerio Camerano	General Manager	01.01.2018	12.31.2018		500,000	
(I) Compensation in the company drafting the Financial Statements					500,000	
(II) Compensation from Subsidiaries and Associates						
(III) TOTAL					500,000	

1/d - Compensation to Key Executives (amounts in €)

(A)	(B)	(C)		(D)	(1)	
Surname and Name	Office	Period for which the office was covered		End of term	Fixed compensation	
		from	to			
Key Executives (8 holders)					1,965,000	

(**) Breakdown Compensation for participation in Committees (amounts in €):

(1) Of which: COMMITTEE FOR TERRITORY AND SUSTAINABILITY (Chair)	20,000
(2) Of which: REMUNERATION AND APPOINTMENTS COMMITTEE (Chair)	20,000
(3) Of which: COMMITTEE FOR TERRITORY AND SUSTAINABILITY (Member)	19,000
(4) Of which: CONTROL AND RISKS COMMITTEE (Member)	20,000
(5) Of which: CONTROL AND RISKS COMMITTEE (Member)	20,000
(6) Of which: CONTROL AND RISKS COMMITTEE (Chair)	30,000
(7) Of which: COMMITTEE FOR TERRITORY AND SUSTAINABILITY (Member)	19,000
(8) Of which: COMMITTEE FOR TERRITORY AND SUSTAINABILITY (Member)	19,000
(9) Of which: CONTROL AND RISKS COMMITTEE (Member)	20,000
(10) Of which: REMUNERATION AND APPOINTMENTS COMMITTEE (Member)	19,000
(11) Of which: REMUNERATION AND APPOINTMENTS COMMITTEE (Member)	19,000

	(2)	(3)		(4)	(5)	(6)	(7)	(8)
	Compensation for participation in Committees (**)	Non-equity variable compensation		Non-monetary benefits	Other remuneration	TOTAL	Fair value of equity compensation	Indemnity for end of term or termination of employment
		Bonuses and other incentives	Participation in the profits					
		194,667		-		694,667		
		194,667		-	-	694,667		
		194,667		-	-	694,667		

	(2)	(3)		(4)	(5)	(6)	(7)	(8)
	Compensation for participation in Committees (**)	Non-equity variable compensation		Non-monetary benefits	Other remuneration	TOTAL	Fair value of equity compensation	Indemnity for end of term or termination of employment
		Bonuses and other incentives	Participation in the profits					
		674,900		71,110		2,711,010		

Introduction

Governance system and organizational structure of A2A

2019 Remuneration Policy - Summary

Section 1
2019 Remuneration Policy

Section 2
Implementation of the 2018 Remuneration Policy

TABLE 3B: Monetary incentive plans in favour of members of the Administrative Body, General Managers and other Key Executives

(A)	(B)	(1)	(2)			(3)			(4)
	Office	Plan	Bonuses in the year			Bonuses in previous years			Other Bonuses
			(A) Payable / Paid	(B) Deferred	(C) Deferral period	(A) No longer payable	(B) Payable / Paid	(C) Deferred	
Camerano Luca Valerio	Chief Executive Officer								
(I) Compensation in the company drafting the Financial Statements		Plan STI 2018	78,000						
(II) Compensation from Subsidiaries and Associates									
(III) TOTAL			78,000						
Camerano Luca Valerio	General Manager								
(I) Compensation in the company drafting the Financial Statements		Plan STI 2018	194,667						
(II) Compensation from Subsidiaries and Associates									
(III) TOTAL			194,667						
Key Executives									
(I) Compensation in the company drafting the Financial Statements		Plan STI 2018	639,900						
(II) Compensation from Subsidiaries and Associates									
(III) TOTAL			639,900						
TOTAL			912,567						

Scheme 7-ter: Scheme related to information on the shareholdings of members of the Management and Control bodies, General Managers and other Key Executives

The following tables outline the shareholdings of all parties that in 2018 held, even for a fraction of the year, offices as members of the Management and Control Bodies, General Manager or Key Executive.

TABLE 1: Shareholdings of members of the Management and Control Bodies and General Managers

Surname and Name	Office	Investee Company	Number of shares held at the end of 2017 (or at the date of appointment)	Number of shares purchased in 2018	Number of shares sold in 2018	Number of shares held at the end of 2018 (or at the date of termination of the office if before)
Franceschetti Maria Chiara	Director of the Board	A2A S.p.A.	1,000	=	=	1,000

TABLE 2: Shareholdings of other Key Executives

Number of Key Executives	Investee Company	Number of shares held at the end of 2017 (or at the date of appointment)	Number of shares purchased in 2018	Number of shares sold in 2018	Number of shares held at the end of 2018 (or at the date of termination of the office if before)
8 holders	A2A S.p.A.	2,000	=	=	2,000

Introduction

Governance system and organizational structure of A2A

2019 Remuneration Policy - Summary

Section 1 2019 Remuneration Policy

Section 2 Implementation of the 2018 Remuneration Policy