



The 2022 Remuneration Report is republished as the version published on 04.08.2022 contained an error on page 39.

In particular, as can be seen from the two pages below, the number 50,849 was incorrectly indicated in the eighth row total column. The number had no reference to the previous columns and did not contribute to the total (1,821,425).

Milan, 04.26.2022

RIGHT VERSION

(2)	(3)		(4)	(5)	(6)	(7)	(8)
Remuneration for participation in Committees (**)	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	TOTAL	Fair value of equity remuneration	Indemnity for end of term or termination of employment
	Bonuses and other incentives	Participation in the profits					
			15,910		388,561		
20,000 (1)							
19,000 (2)			308		139,308		
31,712 (3)			308		112,020		
	80,000				280,000		
31,077 (4)			308		117,358		
20,000 (5)			308	60,000 (**)	160,308		
30,000 (6)			308		110,308		
20,000 (7)			308		100,308		
19,000 (8)			308		99,308		
32,077 (9)			308		112,385		
20,000 (10)			308		102,253		
19,000 (11)			308		99,308		
261,866	80,000		18,990		1,761,425		
				60,000	60,000		
261,866	80,000		18,990	60,000	1,821,425		

(2)	(3)		(4)	(5)	(6)	(7)	(8)
Remuneration for participation in Committees (**)	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	TOTAL	Fair value of equity remuneration	Indemnity for end of term or termination of employment
	Bonuses and other incentives	Participation in the profits					
			390		130,390		
			308		80,308		
			308		80,308		
			1,006	-	291,006		
			1,006	-	291,006		

WRONG VERSION

(2)	(3)		(4)	(5)	(6)	(7)	(8)
Remuneration for participation in Committees (**)	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	TOTAL	Fair value of equity remuneration	Indemnity for end of term or termination of employment
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19,000 (2)			308		139,308		
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20,000 (5)			308	60,000 (**)	160,308		
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2022

Remuneration Report



Report on Remuneration 2022



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This is a translation of the Italian original “Relazione sulla remunerazione 2022” 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.

1 Introduction

A2A S.p.A. (hereinafter also “A2A” or the “Company”) is convinced that a transparent, meritocratic and sustainable remuneration and incentive policy contributes - as an essential and fundamental element - to the Company's strategy and to the alignment of interests between the Company and its shareholders.

In particular, the Company believes that the variable incentive systems constitute fundamental elements to guarantee the sustainability of performance, development and retention of managers. Precisely for this purpose, the Remuneration and Appointments Committee, on a mandate from the Board of Directors, carried out - in the second half of 2021 and in the first quarter of 2022 - an in-depth study to introduce a long-term incentive system (hereinafter also “LTI”), submitting the implementation proposal to the Board of Directors.

The Board of Directors analyzed and discussed the proposal, approving it but postponing its application to a moment of greater clarity of the current geopolitical context and its possible repercussions on the business, subject to approval by the Shareholders' Meeting.

A2A - in order to contribute to the achievement of the United Nations Sustainable Development Goals (SDGs) - has defined sustainability objectives as part of its multi-year Strategic Plan, which also integrate ESG (Environmental, Social and Governance) factors among the strategies it has implemented. These objectives are also reflected in the remuneration policy, becoming fundamental elements of the incentive systems.

The 2021-2030 Strategic Plan aims to concretely support the realization of 11 SDGs of the UN 2030 Agenda, in order to reintroduce value in the production system and in the “Capital”, in a model of circular development.

A2A has identified six different aspects of Capital:

- **Financial**, economic resources involved in the production processes;
- **Manufacturing**, all property, physical assets, plant and equipment used to produce and deliver the services operated by A2A;
- **Natural**, environmental processes and resources involved in the production of services;
- **Human**, skills, abilities and experience of those who work in A2A;
- **Intellectual**, all knowledge and skills, intangible resources and intellectual property of the Group;
- **Relational**, our ability to share value and build relationships with stakeholders to increase collective well-being.

With this in mind, the Guidelines for remuneration systems have been more comprehensively defined with the aim of strengthening the sustainability of results and confirming the solid and prudent management of risks, which had to take into account, also during 2021 as in this first part of 2022, the effects of the ongoing pandemic.

The Remuneration Policy for the year 2022 (hereinafter also referred to as the “Policy”), defined in accordance with the regulatory framework, the corporate governance model adopted and the recommendations of the Corporate Governance Code, has the purpose of attracting, retaining and motivating the best talents, necessary for the achievement of the objectives of the multi-year Business Plan as approved by A2A's Board of Directors.

The definition of the Policy - as a transparent and structured process, in line with regulatory indications and the recommendations of the Corporate Governance Code - involves the various corporate governance bodies, which, in addition to the Shareholders' Meeting, also include A2A's Board of Directors, the Remuneration and Appointments Committee, the ESG and Territory Relations Committee, and, where necessary, the Related Parties Committee and the Control and Risk Committee.

The Board of Statutory Auditors attends the meetings of the Remuneration and Appointments Committee and expresses the opinions required by current regulations, verifying consistency with the Remuneration Policy adopted by the Company.

The European and Italian legislative and regulatory context has been changing in recent years, with an increased focus on improving transparency towards the stakeholders of listed companies, also with reference to the remuneration of directors and, more generally, of the resources involved in the production and distribution process.

This Report (hereinafter also “Report”) was approved on March 23, 2022 by the Board of Directors (hereinafter also “BoD”) of A2A S.p.A. (hereinafter also “A2A” or the “Company”), as proposed by the Remuneration and Appointments Committee (hereinafter also the “Committee”) and it has been prepared in compliance with Directive (EU) 2017/828 – Shareholder Rights Directive II (SHRD II), pursuant

to article 123-ter of Legislative Decree 58/1998 as most recently amended on December 22, 2021 (Consolidated Law on Finance, or TUF), in accordance with article 84-quater of the Issuers' Regulations, which incorporated the amendments set forth in Resolution 242144 of December 22, 2021 and the Corporate Governance Code of Borsa Italiana S.p.A. (hereinafter also referred to as the "Corporate Governance Code"), as well as the provisions contained in CONSOB resolution no. 21624 of December 10, 2020 (Amendments to the regulation containing provisions on related party transactions and to the regulation containing rules for the implementation of legislative decree no. 58 of February 24, 1998 on markets, as amended) regarding the transparency of Directors' remuneration in listed companies.

The Report is divided into two sections on which the Shareholders' Meeting is called upon to express its opinion, pursuant to art. 123-ter, paragraph 3-ter and paragraph 6 of the TUF; the First Section is subject to a binding vote, while the Second Section is subject to an advisory, non-binding vote.

Specifically:

- the First Section outlines:
 - the policy adopted by A2A and the companies controlled regarding the remuneration of executive and non-executive members of the Board of Directors, General Manager (hereinafter also "GM") and Executives with strategic responsibilities (hereinafter also "Key Executives") and the members of the Control Bodies, without prejudice to the provisions of article 2402 of the Civil Code;
 - the procedures adopted for the preparation, approval and implementation of the Remuneration Policy as well as the bodies and entities involved;
- the Second Section outlines:
 - in analytical and nominative form, the remuneration paid in 2021 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 2021 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 and the relative Policy implemented for Executive Directors and Key Executives of the Group.

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 March 23, 2022, 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 binding resolution, on the First Section of the document and, with non-binding resolution, on the Second Section of the document (in compliance with current legislation).

2 Regulatory framework

The regulation, which is constantly evolving, establishes an increasingly close link between company strategy, remuneration policy and its effects on company results.

Directive (EU) 2017/828 or Shareholder Rights Directive II, as indicated above, encouraging long-term shareholder engagement, contains, among others, rules aimed at improved disclosure and procedural transparency with respect to the remuneration of directors of listed companies.

On another front, the Issuers' Regulations, which have been supplemented several times in recent years by Consob, have provided - inter alia - for the introduction of analyses comparing, over time, the remuneration of top management, company performance and average employee remuneration.

The disclosure schedules apply to this Report, in compliance with the above-mentioned provisions with reference to the two Sections and in particular:

- with reference to the First Section, there is, among other things, information on the remuneration policy of the control bodies and an analytical description of information on the criteria used to evaluate performance targets and information concerning the policy for termination benefits or severance indemnities;
- with reference to the Second Section, there is an indication of the performance targets achieved compared to those assigned, any exceptions to the policy in the presence of exceptional circumstances as well as comparisons between annual changes in remuneration, company results and employee remuneration.

Exceptionally and in a non-recurring manner, the Board of Directors of A2A, subject to compliance with the procedural conditions under which the waiver may be applied and limited to the individual elements of the Policy set out below, as proposed by the Remuneration and Appointments Committee, subject to the prior favourable opinion of the Related Parties Committee and having consulted the Board of Statutory Auditors, might waive some of the contents of the Policy illustrated in this Report.

Exceptional circumstances include unplanned extraordinary operations (e.g. restructuring, reorganization or reconversion), exogenous shocks of an unforeseeable nature and of an extraordinary entity and/or of a regulatory/regulatory nature, changes to the Company's organizational, managerial and administrative structure such as to have an impact on the economic and financial results and the creation of value in the long term, actions aimed at attracting/retaining key figures where the constraints contained in the approved policy should constitute a limit to the creation of value and the sustainability of the company in the long term.

When such exceptional circumstances arise, the Company might reserve the right to temporarily derogate from the Policy most recently approved by the Shareholders' Meeting on the following elements:

- target of variable incentive systems;
- one-off monetary bonuses, exclusively for the attraction/retention of key figures;
- grant of special allowances.

These exceptions, aimed at protecting the exclusive interest of the Company, may act on the above-mentioned elements of the remuneration policy either for the better or for the worse, in the presence of the above-mentioned exceptional circumstances.

Any recourse to the right of derogation will be however communicated to the market.

3 Governance system and organizational structure of A2A

On May 13, 2020, the Shareholders' Meeting appointed for the three-year period 2020-2022 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.

- On May 14, 2020, the Board of Directors:
- appointed Renato Mazzoncini as Chief Executive Officer and General Manager of the Company;
 - entrusted the Chair, in coordination with the Chief Executive Officer, as far as the latter is concerned, with the task of handling institutional relations and related external relations, as well as promoting extraordinary territorial aggregation operations;
 - granted to the Chief Executive Officer and General Manager extensive powers for the ordinary management and for the preparation of proposals for extraordinary operations of the Company.

At its meeting of November 12, 2020, the Board of Directors also granted authority to the Vice-Chair with respect to Internal Audit.

On August 6, 2021, the Director Vincenzo Cariello resigned from the role of Lead Independent Director (appointment of November 12, 2020) due to sudden personal reasons and therefore, on October 21, 2021, the Board of Directors appointed, until the approval of the financial statements as at December 31, 2022, Lead Independent Director Secondina Giulia Ravera (Independent Director taken from the minority list).

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

Board of Directors ⁽¹⁾			
Chair	Vice-Chair	Chief Executive Officer and General Manager	Members
Marco Emilio Angelo Patuano	Giovanni Comboni	Renato Mazzoncini	<ul style="list-style-type: none">• Stefania Bariatti• Vincenzo Cariello• Federico Maurizio d'Andrea• Luigi De Paoli• Gaudiana Giusti• Fabio Lavini• Christine Perrotti• Secondina Giulia Ravera• Maria Grazia Speranza

Board of Statutory Auditors ⁽²⁾	
Chair	Auditors
Giacinto Gaetano Sarubbi	<p>Statutory:</p> <ul style="list-style-type: none">• Maurizio Leonardo Lombardi• Chiara Segala <p>Alternate:</p> <ul style="list-style-type: none">• Antonio Passantino• Patrizia Tettamanzi

1 At its May 14, 2020 meeting, the Board of Directors considered: (i) that the non-executive directors Stefania Bariatti, Vincenzo Cariello, Luigi De Paoli, Gaudiana Giusti, Christine Perrotti, Secondina Giulia Ravera and Maria Grazia Speranza meet the independence requirements of art.148 Consolidated Law on Finance and of Corporate Governance Code; (ii) that the non-executive directors Giovanni Comboni - Vice Chair and Fabio Lavini meet the independence requirements of art. 148 Consolidated Law on Finance.

2 All standing members of the Board of Statutory Auditors, Giacinto Gaetano Sarubbi - Chairman, Maurizio Leonardo Lombardi and Chiara Segala, meet the independence requirements of art. 148 Consolidated Law on Finance and of Corporate Governance Code.

3 Governance system and organizational structure of A2A

On May 14, 2020, the Board of Directors also appointed three Internal Board Committees:

- Control and Risks Committee;
- Remuneration and Appointments Committee;
- Sustainability and Territory Committee

To continue its programme to update the Company's corporate governance rules to bring them into line with the Principles and Recommendations of the new Corporate Governance Code adopted by the Company, on May 13, 2021, the Board of Directors of A2A S.p.A.:

- extended the responsibilities of the Sustainability and Territory Committee to include Corporate Governance issues, closely linked to those of Sustainability, not only in the environmental sense, but also in the social and economic sense, changing its name to "ESG and Territory Relations Committee";
- separated the functions previously assigned to the Control and Risk Committee by setting up a Related Parties Committee to which it assigned the tasks envisaged by the relevant Consob regulations and the specific procedure for regulating transactions with related parties.

Therefore, as of the date of this Report, the Committees indicated in the table below are present with their relative composition.

Board Committees			
Control and Risks Committee	Remuneration and Appointments Committee	ESG and Territory Relations Committee	Related Parties Committee
<ul style="list-style-type: none">• Luigi De Paoli (Chair)• Federico Maurizio d'Andrea• Gaudiana Giusti• Christine Perrotti	<ul style="list-style-type: none">• Secondina Giulia Ravera (Chair)• Stefania Bariatti• Giovanni Comboni	<ul style="list-style-type: none">• Marco Emilio Angelo Patuano (Chair)• Vincenzo Cariello• Fabio Lavini• Maria Grazia Speranza	<ul style="list-style-type: none">• Stefania Bariatti (Chair)• Vincenzo Cariello• Christine Perrotti

4 2022 Remuneration Policy - Additions and Summary

A2A has carried out an in-depth analysis of the remuneration policies and schemes that could best be applied to the Company, also taking into account the reference market and peers.

As described in the introduction to this document, the Remuneration and Appointments Committee, on a mandate from the Board of Directors, carried out - in the second half of 2021 and in the first quarter of 2022 - an in-depth study to introduce a long-term incentive system, submitting the implementation proposal to the Board of Directors.

The Board of Directors analyzed and discussed the proposal, approving it but postponing its application to a moment of greater clarity of the current geopolitical context and its possible repercussions on the business, all of the above subject to the approval by the Shareholders' Meeting.

The characteristics of the LTI are described in detail below in the section entitled "Long-term Incentive System".

Described below are the elements constituting the 2022 Remuneration Policy that highlight the introduction of a non-competition and non-solicitation covenant or an option to activate a non-competition and non-solicitation covenant for key resources, holders of know-how critical to the company's business, in order to:

- protect the company from the risk that the termination of their employment will result in the transfer of these specific skills to competing companies;
- protect the company from the risk of loss of customers and critical know-how following the termination of a resource's employment.

Fixed remuneration

The fixed component of remuneration (fixed remuneration) enhances skills and experience and must be consistent with the characteristics of the role being overseen and the responsibilities associated with it. The Company monitors fixed remuneration against the external market in order to ensure an adequate level of competitiveness and thus guarantee the attraction and retention of its Managers and personnel.

The fixed component of remuneration is determined, in line with the Corporate Governance Code and consistent with the forecasts for the previous year, to an extent that allows remuneration levels to be adequate even if the variable component should not be paid.

Variable remuneration

The variable component of remuneration (variable remuneration) includes only a short-term component (MBO), which is directly related to the achievement of annual performance targets.

Variable remuneration provides a direct and verifiable link between the performance targets set, the results achieved and the remuneration paid.






In fact, the variable components of remuneration envisage predetermined, measurable performance objectives linked to the Company's strategic objectives, measured and calculated mainly by means of economic-financial, business and sustainability indicators.

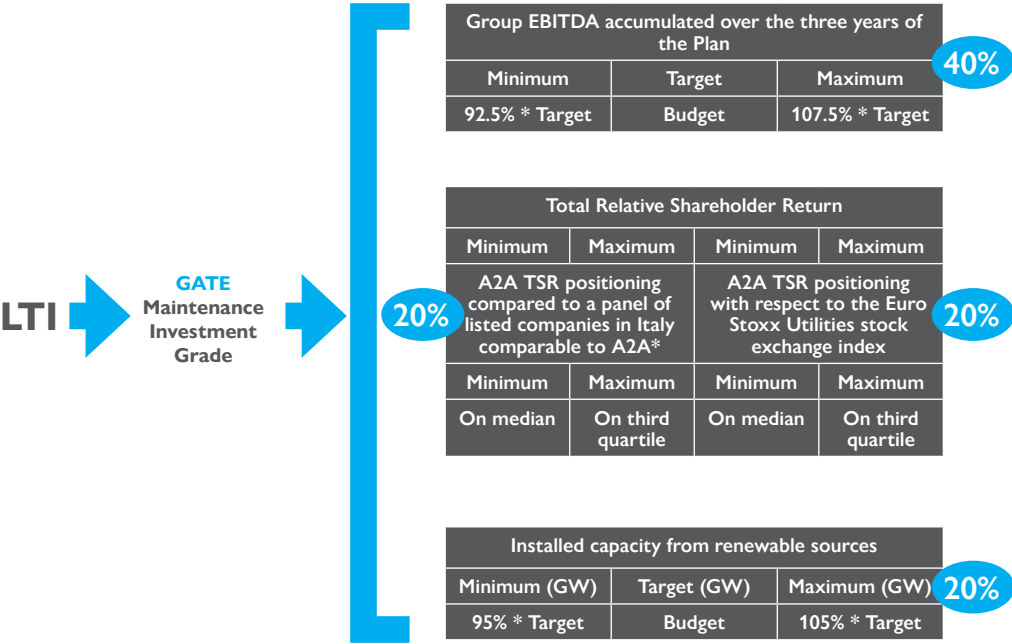
The variable component also has:

- access gates that stipulate that bonuses are only granted where the Group's economic sustainability conditions are guaranteed;
- maximum values intended as caps, above which, even in the presence of over-performance, the economic bonuses paid cannot rise further.

Long-term incentive system

The characteristics of the long-term incentive system approved by the Board of Directors are shown below, with specific details also of the metrics envisaged for the objectives.

	ASSIGNEES	<ul style="list-style-type: none">• CEO/GM• Key Executives (DIRS)• First Line Executives of Chair, Vice Chair and General Manager• Key business roles
	VEHICLE AND ALLOCATION FREQUENCY	<ul style="list-style-type: none">• Monetary plan, closed
	PLAN DURATION (VESTING)	<ul style="list-style-type: none">• Plan access gate: Maintenance of the Investment Grade• Three indicators:<ul style="list-style-type: none">- Cumulative EBITDA over 3 years (40%)- Relative TSR (40%)- ESG KPIS (20%)
	TARGET BONUS SINGLE YEAR VALUE	<ul style="list-style-type: none">• CEO/GM: 29% of fixed remuneration• DIRS: 30% of fixed remuneration• Executives and key business roles: 22% of fixed remuneration
	BONUS PAY-OUT	<ul style="list-style-type: none">• After the approval of the financial statements of the third year of Plan by the Shareholders' Meeting



PAY-OUT: Range between 92.5% of target (pay-out = 70%) and 107.5% of target (pay-out = 130%)
* Acea, Enel, Eni, Hera, Iren, Italgas, Prysmian, Saipem, Snam, Terna

As part of the study, the Remuneration and Appointments Committee carried out - using a benchmark produced by Mercer - an in-depth comparison of the remuneration of LTI grantees with respect to the Company's reference remuneration markets and defined a mechanism for containing remuneration to market levels and partially offsetting the cost associated with the introduction of the new remuneration component.

The Board of Directors has therefore approved, in addition to the LTI features described above, a reduction in the short-term variable component (for a value equal to 1/3 of the amount of the long-term variable component) for those assignees whose global remuneration, without LTI, is not below than -15% from the median.

Non-monetary benefits

In the 2022 Policy, as in the 2021 Policy, there are non-monetary benefits that supplement the remuneration package in a predominantly Social Security and Welfare Total Reward approach.

In addition to the above monetary benefits, a company car is also provided and a house allowance in line with the market standards of companies comparable with the Company is attributable for specific needs.

Deferral - malus and claw back clauses

To date, there are no mechanisms for deferring the payment of the fixed or variable component, for the reasons indicated in paragraph C9 below.

From 2021, the A2A Remuneration Policy envisages ex-post correction mechanisms in the form of claw-back clauses, which allow the Company to claim back - or rather not to make payments where malus clauses are applied - of all or part of the variable components of remuneration to individuals who, with wilful misconduct or gross negligence, have altered the data used to achieve the targets or have behaved in breach of corporate and/or contractual regulations.

Severance - Non-Competition Agreements and Non-Solicitation

As far as the Chair of the Board of Directors, the Directors and the Key Executives are concerned, there are no specific agreements that regulate ex ante the economic aspects relating to the termination of office or termination of employment.

Only for the CEO, should there be a termination of the directorship and of the employment relationship, the max amount established by the national collective agreement will be paid both as severance and notice period.

From now on the Company may provide, at the date of hire or during the course of employment, a non-competition and non-solicitation agreements (or options to activate non-competition and non-solicitation agreements) for key resources holding know-how critical to the Company's business, including Key Executives.

Summary of remuneration components

The following is a summary of the conditions provided for the total remuneration components of:

- Chair of the Board of Directors;
- Vice-Chair of the Board of Directors;
- Chief Executive Officer;
- Members of the Board of Directors;
- Board of Statutory Auditors;
- General Manager;
- Key Executives.

Composition of the fixed remuneration provided to the Board of Directors			
Chair	Vice-Chair	Chief Executive Officer	Members
<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 ESG and Territory Relations Committee.</p>	<p>It consists of the remuneration received as Director (approved by the Shareholders' Meeting at the time of appointment of the Board of Directors).</p> <p>The Vice-Chair also receives additional remuneration for participation in the Remuneration and Appointments Committee and as of November 2020, for the responsibility of the Internal Audit.</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) or the particular role held and the associated responsibilities.</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 any additional remuneration for participation in Board Committees or special powers/ functions.</p>

Composition of short-term variable remuneration provided to the Board of Directors			
Chair	Vice-Chair	Chief Executive Officer	Members
Not provided	Not provided	<p>It is approved by the Board of Directors.</p> <p>An "access gate" or "gate" is envisaged, based on Ebitda and Capex, and which reduces or cancels 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>The following targets were approved by the Board of Directors for the year 2022:</p> <ul style="list-style-type: none">• Industrial Cash Flow (weight in order to pay 50%);• Net Debt / Ebitda A2A Group (weight in order to pay 50%). <p>In order to pay, 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 (upon reaching 100% of the targets, the pay mix of the variable remuneration on the fixed remuneration is therefore equal to 33%).</p>	Not provided

Composition of long-term variable remuneration provided to the Board of Directors			
Chair	Vice-Chair	Chief Executive Officer	Members
Not provided	Not provided	Not provided	Not provided

Non-monetary benefits provided to the Board of Directors			
Chair	Vice-Chair	Chief Executive Officer	Members
<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, if with thermal or hybrid engine, fuel card (if with full electric engine, card for recharging on the road and contribution on wall-box and home recharge).	<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, if with thermal or hybrid engine, fuel card (if with full electric engine, card for recharging on the road and contribution on wall-box and home recharge).	<ul style="list-style-type: none">• Insurance policy occupational and non-occupational injuries;• Insurance for civil liability Directors, Auditors and Executives.

Severance for the Board of Directors
<p>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.</p> <p>For the CEO-General Manager alone, considering that the employment relationship of the General Manager and the office of CEO are, by the nature of the activity involved in the job with respect to that of the office, connected, complementary and inseparable, an agreement has been drawn up for the termination of the administrative and managerial relationship.</p> <p>This remuneration is exclusively due if the relationship is terminated by the Company for reasons other than just cause or by the Chief Executive Officer-General Manager for resignation for just cause due to events that have caused actual and concrete demotion, or due to organizational changes within the Company that have caused a reduction in duties (including the revocation or non-renewal of the office of Chief Executive Officer in the absence of just cause).</p> <p>The agreement provides for the payment of an amount equal to the sum of the indemnity in lieu of notice and the maximum additional indemnity provided for by law in the National Collective Labour Contract applied, in relation to the event of termination of employment. In the event of termination in the year 2022, for the sole reasons indicated above that determine the activation of the discipline, the CEO-General Manager should be paid an amount equal to a total of 14 months' pay, including the notice period, of remuneration calculated according to the conventional discipline.</p> <p>From now on, the Company may, beginning in 2022, provide, at the date of hire or during the course of employment, non-competition and non-solicitation agreements or options to activate non-competition and non-solicitation agreements for key resources holding know-how critical to the Company's business, including the Chief Executive Officer-General Manager.</p>

Composition of the fixed remuneration provided to the Board of Statutory Auditors	
Chair	Auditors
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).

Composition of the variable remuneration provided to the Board of Statutory Auditors	
Chair	Auditors
Not provided	Not provided

Non-monetary benefits provided to the Board of Statutory Auditors	
Chair	Auditors
Insurance policies (occupational and non-occupational injury; permanent disability due to illness and life)	Insurance policies (occupational and non-occupational injury; permanent disability due to illness and life)

Severance provided to the Board of Statutory Auditors
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.

Composition of the fixed remuneration provided to the General Manager
It is approved by the Board of Directors and determined on the basis of the role, powers and responsibilities assigned.

Composition of the fixed remuneration provided to the General Manager
It is approved by the Board of Directors.
An "access gate" or "gate" is envisaged, based on Ebitda and Capex, and which reduces or cancels 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.
The following targets were approved by the Board of Directors for the year 2022:
<ul style="list-style-type: none">• Economic - Financial (weight in order to pay 40%): Ebitda set, as target, on the value forecast in the budget for the reference year and with a +/-5% fluctuation; Capex set, as maximum (120%) on the budget value, as minimum on 85% of the budget value and as target (100%) on the linear interpolation between minimum and maximum;• Strategic Projects (weight in order to pay 37%): 8 projects of major strategic importance envisaged in the Business Plan, regularly monitored by the Board of Directors;• Sustainability (weight in order to pay 23%): focused on: reduction of accidents, reduction of emissions and improvement of DE&I indicators (in terms of: increase in the % of female managers; increase in the presence of women on the Boards of Directors of subsidiaries and investee companies; increase in the % of women hired).
In order to pay, it is necessary to exceed a minimum achievement of targets and upon exceeding said minimum threshold, remuneration may vary linearly between 32% and 48% of Fixed Remuneration depending on the level of achievement of targets (upon reaching 100% of the targets, the pay mix of the variable remuneration on the fixed remuneration is therefore equal to 40%).

Composition of the long-term variable remuneration provided to the General Manager
Not provided

Non-monetary benefits provided to the General Manager

- Insurance policies (occupational and non-occupational injury; permanent disability due to illness and life);
- Health coverage provided by the National Collective Labour Agreement applied and supplementary;
- Insurance for civil liability Directors, Auditors and Executives;
- Car for mixed use and, if with thermal or hybrid engine, fuel card, if with full electric engine, card for recharging on the road and contribution on wall-box and home recharge;
- House allowance

Severance provided to the General Manager

For the CEO-General Manager, considering that the employment relationship of the General Manager and the office of CEO are, by the nature of the activity involved in the job with respect to that of the office, connected, complementary and inseparable, an agreement has been drawn up for the termination of the administrative and managerial relationship.

This remuneration is exclusively due if the relationship is terminated by the Company for reasons other than just cause or by the Chief Executive Officer-General Manager for resignation for just cause due to events that have caused actual and concrete demotion, or due to organizational changes within the Company that have caused a reduction in duties (including the revocation or non-renewal of the office of Chief Executive Officer in the absence of just cause).

The agreement provides for the payment of an amount equal to the sum of the indemnity in lieu of notice and the maximum additional indemnity provided for by law in the National Collective Labour Contract applied, in relation to the event of termination of employment. In the event of termination in the year 2022, for the sole reasons indicated above that determine the activation of the discipline, the CEO-General Manager should be paid an amount equal to a total of 14 months' pay, including the notice period, of remuneration calculated according to the conventional discipline.

From now on, the Company may, beginning in 2022, provide, at the date of hire or during the course of employment, non-competition and non-solicitation agreements or options to activate non-competition and non-solicitation agreements for key resources holding know-how critical to the Company's business, including the Chief Executive Officer-General Manager.

Composition of fixed remuneration provided to Key Executives

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.

Composition of short-term variable remuneration provided to Key Executives

An "access gate" or "gate" is envisaged, based on Ebitda and Capex, and which reduces or cancels the remuneration payable if the Group's economic-financial performance is not in line with the budget.

Variable remuneration is directly related to the achievement of predefined targets assigned annually:

- Economic Financial (in a range of 42% - 51%):
 - Group related to Net Debt/Ebitda and Ebitda ratios;
 - accruals related to Costs, Capex and Industrial Cash Flow;
- Strategic projects (in a range 24% - 33%): selection of projects of strategic importance consistent with the area of responsibility;
- sustainability, with an overall weight of 17.5%, up 2.5% on the previous year. For 2022, in order to strengthen the commitment to sustainability, as well as increase its weight, it was decided to assign the same objectives to the entire first line of the General Manager: reduction of accidents, reduction of emissions and improvement of DE&I indicators (in terms of: increase in the % of female managers; increase in the presence of women on the Boards of Directors of subsidiaries and investee companies; increase in the % of women hired).
- competencies, with soft skills assessment, for a total weight of 7.5%.

The value of the remuneration is assigned individually and determined based on the role and responsibilities assigned and balance (pay-mix) with Fixed Remuneration. Specifically, the short-term variable component has a target value of about 30%-45% (average value 35%) of the annual gross fixed amount.

Composition of long-term variable remuneration provided to Key Executives

Not provided

Non-monetary benefits provided to Key Executives

- Insurance policies (occupational and non-occupational injury; permanent disability due to illness and life)
- Health coverage provided by the National Collective Labour Agreement applied and supplementary;
- Insurance for civil liability Directors, Auditors and Executives;
- Car for mixed use and, if with thermal or hybrid engine, fuel card, if with full electric engine, card for recharging on the road and contribution on wall-box and home recharge;
- House allowance

Severance provided to Key Executives

The remuneration and the end of employment responsibilities established by the law and by the national collective contract of reference as executives are provided for.

The application of the above, in the event of termination in 2022, would entail the payment of an amount based on individual seniority and with an average value equal to 23 months of remuneration calculated on the basis of the criteria of article 2121 of the Civil Code.

From now on, the Company may, beginning in 2022, provide, at the date of hire or during the course of employment, non-competition and non-solicitation agreements or options to activate non-competition and non-solicitation agreements for key resources holding know-how critical to the Company's business, including Key Executives.

Disclosure of remuneration (pay ratio)

Therefore, with a view to increasing transparency towards stakeholders, provided below is the ratio between the remuneration (both in its fixed and overall component, understood as fixed plus variable) received during 2019, 2020 and 2021 by the Chief Executive Officer and General Manager compared to the average remuneration of the reference population.

Year	Fixed remuneration CEO+GM	Average fixed remuneration for employees ⁽³⁾	Number of employees (HC)	Fixed pay ratio
2019	700,000	36,568	11,271	19.14
2020	700,000	36,549	11,470	19.15
2021	700,000	36,538	12,351	19.16

Year	Global remuneration (fixed + variable) CEO+GM	Global remuneration (fixed + variable) average employees	Number of employees (HC)	Overall pay ratio
2019	976,527	43,434	11,271	22.48
2020 ⁽⁴⁾	980,665	43,244	11,470	22.68
2021	983,880	43,342	12,351	22.67

3 All permanent and fixed-term employment contracts were considered as employees, re-proportioned to 100% in the case of part-time employment.

4 The values indicated for the year 2020 refer instead to the annual remuneration package defined for Renato Mazzoncini, in office as CEO + GM from May 13, 2020. In particular, for the year 2020, for the fixed remuneration, the value approved by the Shareholders' Meeting and the Board of Directors was considered; for the variable remuneration, the value re-proportioned over the entire year was considered and not the actual pro-rata amount paid.

5 Section 1 - 2022 Remuneration Policy

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

The 2022 Remuneration Policy, defined on the basis of market best practices and in compliance with the principles of fairness, proportionality, competitiveness, meritocracy, sustainability and transparency, has the main aim to:

- pursue sustainable performance of the Company;
- attract, motivate and retain within the Group strategic resources possessing the technical qualities and professional skills needed to achieve the company's current objectives and with a view to further, future expansion;
- align management's interests with those of shareholders and stakeholders.

Last but not least, the Remuneration Policy is a fundamental tool for building the loyalty of a cohesive management team, which is strongly oriented towards the pursuit of objectives and proactive in taking up new challenges and opportunities, in order to further improve the Company's competitive position.

The Policy must be articulated and interpreted in light of the particular period that is affecting the industry and the world of services at all levels and contextualized in the specific market in which A2A operates.

The remuneration structure is, therefore, based on different components and takes concrete form in the definition of a remuneration package in which a fixed part of remuneration and a variable part are balanced. These interconnected elements define a remuneration offer consistent with the complexity of roles and performance levels (company and individual).

The 2022 Remuneration Policy was approved by the Board of Directors on March 23, 2022, on the proposal of the Remuneration and Appointments Committee, and will be submitted to the vote of the Shareholders' Meeting, pursuant to article 123-ter paragraphs 3-ter and 6 of the Consolidated Law on Finance.

The Policy is reviewed and updated on an annual basis.

The preparation, approval and implementation of the Policy require 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;
- People & Transformation Department;
- Administration, Finance and Control Department;
- Board of Statutory Auditors.

The following paragraphs describe the process adopted by A2A for defining and approving the Policy, the bodies and individuals involved as well as the aims, principles and fundamental metrics underlying it.

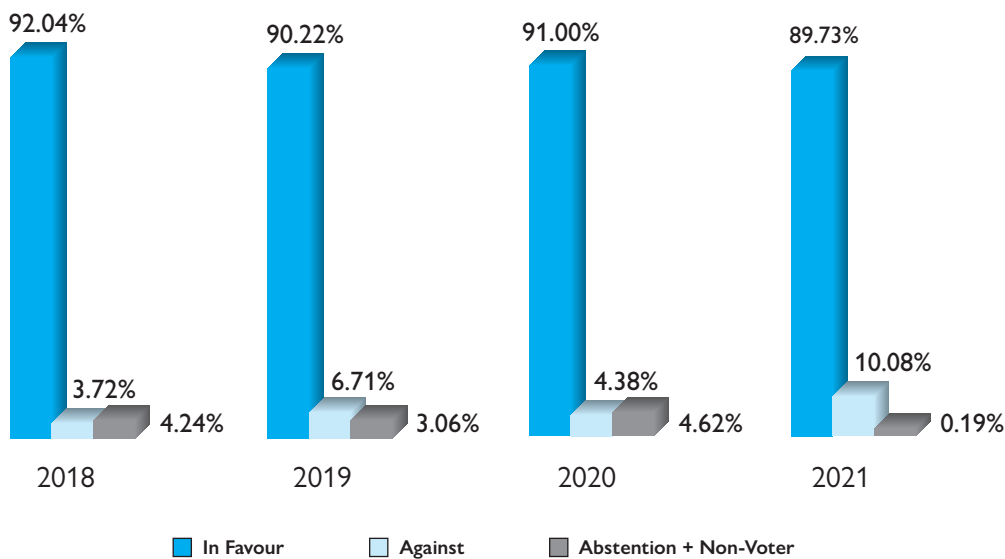
Shareholders' Meeting

Regarding remuneration, the Shareholders' Meeting:

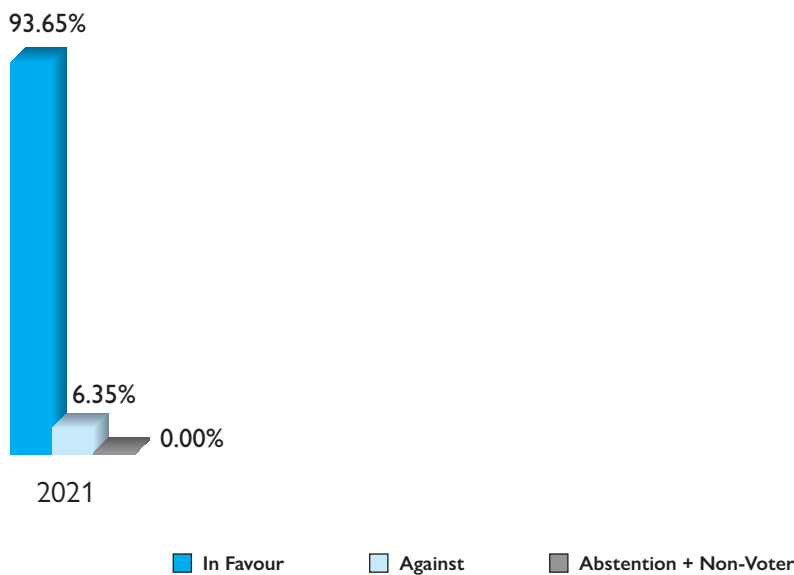
- Defines the remuneration of the Members of the Board of Directors as Directors. The remuneration is determined at the time of appointment of Directors;
- Defines the remuneration of the Members of the Board of Auditors. The remuneration is determined at the time of appointment of Auditors;
- Resolution in favour or against (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;
- Resolution in favour or against (advisory vote, non-binding) on the Second Section of the Report, containing the remuneration paid in the previous year to the executive and non-executive Members of the Board of Directors, the members of the Board of Statutory Auditors, the General Manager and the Key Executives.

On April 29, 2021, the Shareholders' Meeting also voted in favour on the First Section of the 2021 Remuneration Report.

The figure below outlines the results of the advisory vote by the Shareholders' Meeting of 2017 (May 15, 2017), 2018 (April 27, 2018), 2019 (May 13, 2019), 2020 (May 13, 2020) and April 29, 2021 on the Remuneration Report.



On April 29, 2021, the Shareholders' Meeting also voted in favour on the Second Section of the 2021 Remuneration Report.
The schedule below sets forth the results of the advisory vote at the April 29, 2021 Shareholders' Meeting on the Second Section of the Remuneration Report.



Following the Shareholders' Meeting, the Board of Directors, through the Remuneration and Appointments Committee, with the support of the People & Transformation Department and the Investor Relations structure, initiated dialogue with investors and proxy advisors in order to collect precise feedback on the remuneration policy and elements for its improvement.

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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 during approval of the financial statements.

Furthermore, the Board of Directors, with the support of the Remuneration and Appointments Committee and, where necessary, the competent corporate organizational structures (People & Transformation 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 performance targets and approving their level of achievement.

Remuneration and Appointments Committee

The Remuneration and Appointments Committee was established on May 14, 2020 by the Board of Directors, with the following composition: Secondina Giulia Ravera (Chair), Stefania Bariatti (Member) and Giovanni Comboni (Member).

Current Composition - Remuneration and Appointments Committee		
	Office	
Dina Ravera	Committee Chair	Independent Board Director pursuant to article 148 Consolidated Law on Finance and Corporate Governance Code.
Stefania Bariatti	Committee Member	Independent Board Director pursuant to article 148 Consolidated Law on Finance and Corporate Governance Code.
Giovanni Comboni	Committee Member	Independent Board Director pursuant to art. 148 Consolidated Law on Finance.

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

In particular, the Committee:

- contributes to the self-evaluation process of the Board of Directors and its Committees;
- expresses non-binding written opinion on the definition of the optimal composition of the Board of Directors and its Committees;
- carries out investigations and makes proposals regarding the identification of candidates for the position of Director in case of co-option;
- carries out investigations and makes proposals regarding the preparation, updating and implementation of any succession plan for the CEO and the other executive directors, which at least identifies the procedures to be followed in the event of early termination of office.

The Committee also:

- carries out investigations and makes proposals regarding the drafting of the remuneration policy, taking due account of the pursuit of the Company's sustainable success;
- submits proposals or expresses non-binding written opinions 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;
- monitors the actual application of the remuneration policy and verifies, in particular, the actual achievement of the performance objectives;
- periodically assesses, with non-binding written opinion, the adequacy and overall consistency of the remuneration policy of directors and strategic managers;
- collaborates with the ESG and Territory Relations Committee in defining sustainability objectives in the MBO system;

- submits proposals regarding 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”;
- formulates proposals to amend the “Guidelines for the appointment and remuneration of the Members of corporate bodies of investee companies”.

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 the Corporate Secretariat, who has been identified, on the basis of the corporate competencies and responsibilities assigned, as the secretary of the Committee, and by the People & Transformation Director for expertise on the issues addressed.

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 2021, the Committee met 16 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 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”).

During 2021, the Committee was advised by Mercer, a leading counterparty specializing in executive remuneration issues, and, specifically for the study and preparation of the Non-Competition and Non-Solicitation Agreement, by the BonelliErede law firm. Both advisors acted independently of the Company.

During 2021, the activities carried out by the Committee, with the support of the People & Transformation Department, with regard to remuneration aspects only, were as follows:

- definition of the proposals for the appointment and remuneration of the Members of the corporate bodies of investee companies, paying particular attention to the gender balance in their composition, even in the absence of legal requirements;
- analysis and discussion of the Group's People Strategy, with specific focus on the KPIs set over the plan with their progression over the years for the managerial development of people, for the management of DE&I issues, to increase the attention to HSE issues and to disseminate the digital culture with related tools;
- attestation of the performance of the Chief Executive Officer and General Manager with respect to 2020 and initiation of preliminary work with respect to 2021;

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- definition of the short-term incentive scheme for the Chief Executive Officer, General Manager and Key Executives in relation to 2021 and start of the preliminary work relating to 2022;
- preparation of the Remuneration Report for 2021 (Sections I and II) to be submitted to the Board of Directors for approval with a view to subsequent submission to the Annual Shareholders' Meeting;
- benchmarking analysis on the composition and remuneration of Board Committees, in order to assess the correctness of the remuneration provided for by the Company as well as for the purposes of the establishment of the Related Parties Committee;
- analysis of shareholders' meeting voting and voting policies of institutional investors and proxy advisors;
- verification of the concrete application of the remuneration policy on the executive population;
- analysis and discussion of the claw-back clauses to be introduced in the variable incentive system;
- review of the work carried out by the People & Transformation Department to prepare a Succession Plan for the holders of organizational positions reporting directly to the Chair and Chief Executive Officer, including Key Executives, as well as, for business roles, the second lines of the Chair and Chief Executive Officer with specific focus on the growth paths of women;
- carrying out preliminary work on the introduction of a Long-Term Incentive (LTI) plan for Company Top Management, carrying out in-depth studies with the consultancy firm Mercer, identified as a partner for the operational development of the plan;
- study of the advisability of introducing Non-Competition and/or Non-Solicitation Agreements for key management figures.

In 2022, at the date of publication of this Report, the Committee met 4 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 Board of Auditors. In some cases, the meetings were also attended by other parties invited by the Committee Chair.

During 2022, the activities carried out by the Committee, with the support of the People & Transformation Department, with regard to remuneration aspects only, were as follows:

- definition of the proposals for the appointment and remuneration of the Members of the corporate bodies of investee companies, paying particular attention to the gender balance in their composition, even in the absence of legal requirements;
- attestation of the results of the Chief Executive Officer and the General Manager for 2021;
- definition of the short-term incentive system for the Chief Executive Officer, General Manager and Key Executives in relation to 2022, working with the ESG and Territory Relations Committee to identify sustainability objectives;
- conclusion of the preliminary work for the introduction of a Long-Term Incentive (LTI) plan for the Company's Top Management to be submitted to the Board of Directors for approval;
- preparation of the Remuneration Report for 2022 (Sections I and II) to be submitted to the Board of Directors for approval with a view to subsequent submission to the Annual Shareholders' Meeting;
- start defining the criteria by which to identify potential internal candidates for the emergency succession of the General Manager.

In addition to the above, the Board of Directors, in line with the provisions of the Corporate Governance Code most recently published in January 2020 - in particular with regard to Recommendations no. 19 and 24 - entrusted the Remuneration and Appointments Committee in 2021 with the task of assisting it in the activities of preparing, updating and implementing the plan for the succession of the General Manager (the "Succession Plan"), in cases of sudden need and to ensure the long-term sustainability and implementation of the approved multi-year strategic plans.

The Succession Plan, based on the proposal of the Appointments and Remuneration Committee, shall identify the procedures to be followed in the event of early termination of office, also identifying the cases of pro-tempore replacement, as well as the objectives of stability and continuity that shall be pursued by the Company and the appointed figures in such cases.

This plan will be finalized in the coming months by the Remuneration and Appointments Committee and approved by the Board of Directors during 2022.

Chair and CEO

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

- by the Chair limited to the managerial staff exclusively and directly under, after consulting the Chief Executive Officer;
- by 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, for which it is consulted by the Chair.

The General Manager is also responsible for managing all contractual and organizational aspects of the other employees of the A2A Group.

People & Transformation and Administration, Finance and Control

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

- People & Transformation for technical assistance on remuneration issues and for the elaboration of support analyzes 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, with particular attention to gender equality issues, as well as competitiveness with respect to markets selected as reference;
- Administration, Finance and Control for the identification and valorization of quantitative parameters underlying the variable incentive systems and the ex-post assessment of their level of achievement.

Board of Statutory Auditors

The Board of Statutory Auditors, with regard to remuneration, attends the meetings of the Remuneration and Appointments Committee and expresses the opinions required by current regulations, verifying consistency with the Remuneration Policy adopted by the Company.

b. Aims and Principles of the Remuneration Policy

b1. Background: working conditions of employees

A2A makes the protection of the working conditions of its employees one of the cornerstones of its policies. To this end, it is recalled that the Group, which operates mainly in Italy, applies the main national contracts for the sector as well as numerous second level agreements.

In particular, respect for the working conditions of employees is embodied in various measures to which the Group has been committed for some time, such as:

- Strengthening of welfare instruments;
- Alignment of the Result Bonus with company objectives;
- Strict control of injuries, included in the targets of the group managers;
- Strong focus on female representation both in positions of responsibility and overall representation included in the objectives of group managers;
- Analysis and corrective action to ensure gender equity in pay;
- Raising awareness on health issues, through communications on the importance of prevention and training on healthy lifestyles.

Other tools the group has been working on include: (i) disability policies and (ii) alignment of recreational offerings for employees and their families.

b2. Linking the Remuneration Policy with the Business Plan

In January 2021, A2A announced its new 10-year Business Plan 2021-2030 and its repositioning from multi-utility to Life Company.

The Business Plan envisages two aspects, Circular Economy and the Energy Transition, as well as an important focus on Sustainability, in the conduct of both A2A and that of its citizens. A particularly relevant aspect of the Plan is the strong acceleration in infrastructure and renewable energy investments.

During the presentation of the Plan, ambitious targets were communicated, which are used to define the main metrics of the variable remuneration system of the CEO, GM and Key Executives, as well as, consequently, all company management.

In order to guarantee a high level of commitment on the part of the entire management to the achievement of a minimum Group EBITDA target, as well as to the achievement of minimum investments (CAPEX) both in development and in maintenance and improvement, an access gate (hereinafter also referred to as “Gate”) has been introduced into the variable system, which is the same for the entire company and which, in fact, crosses the two parameters.

Within the MBO system for management, the concept is also emphasised of being part of the same team connecting a consistent portion of the targets both to results deriving directly from own activities and those of a higher level (one level up). This is to further drive a spirit of collaboration and teamwork essential to the full realization of the Business Plan.

It is important to note that all Key Executives see a substantial portion (17.5% of MBO, increased by 2.5% from the previous year) of their variable remuneration connected to sustainability goals.

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In particular, for 2022, 17.5% of the objectives dedicated to sustainability within the MBO will see three items common to all Key Executives and the first line of Top Management addressed to (i) the reduction of accidents, (ii) emissions and (iii) the improvement of gender balance in the corporate organization (increase in the % of women managers and increase in the % of women hired) and in the composition of the Boards of Directors of subsidiaries and investee companies.

A2A has also introduced from 2021 a claw-back clause to be applied to all recipients of a component of variable remuneration, for a period of three years following the payment of bonuses.

b3. Aims of the Remuneration Policy

The A2A Remuneration Policy aims to:

- contribute to corporate strategy, the pursuit of interests and the sustainability of the Company;
- attract, motivate and retain people with the professional qualities necessary for the successful pursuit of the targets and the successful management of the Company;
- align the interests of management 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 - also understood as gender equity - 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, or Members of the Board Committees, was defined considering the responsibilities/powers assigned as well as the level of operations and the intensity of work required. For their determination, the remuneration practices of companies selected as reference panel were also analyzed;
 - 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.

The link between variable pay and company performance is as follows:

- 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 requires the following:

- the individual results obtained and the conduct for the achievement thereof are periodically measured in order to apply meritocratic management;
- 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 Policy for the year 2022, described in detail below, reflects the decisions made regarding remuneration by the Shareholders' Meeting and by the Board of Directors.

c1. Introduction

On May 13, 2020, the Shareholders' Meeting:

- appointed, for the three-year period 2020-2022, a Board of Directors consisting of 12 Members;
- appointed Marco Patuano as Chair of the Board of Directors;
- appointed Giovanni Comboni as Vice-Chair of the Board of Directors;
- appointed, for the three-year period 2020-2022, a Board of Statutory Auditors consisting of 3 Statutory Auditors and 2 Alternate Auditors;
- determined, in accordance with the provisions of the Company's By-laws, the annual remuneration payable for the office of Director, Chair of the Board of Statutory Auditors and Member of the Board of Statutory Auditors.

Subsequently, on May 14, 2020 and June 18, 2020, the Board of Directors:

- appointed Renato Mazzoncini as CEO and General Manager of the Company, who, by resolution of the same Board of Directors, was also hired on a permanent management contract, establishing the remuneration for the two roles;
- resolved the remuneration to be paid to Marco Patuano as Chair of the Board of Directors;
- defined the composition of three Board Committees (Control and Risks Committee, Remuneration and Appointments Committee and Sustainability and Territory Committee), indicating their Members and remuneration.

On May 13, 2021, the Board of Directors of A2A S.p.A., to continue its programme to update the Company's corporate governance rules to bring them into line with the Principles and Recommendations of the new Corporate Governance Code adopted by the Company:

- updated of the regulations of the Board of Directors and internal committees;
- extended the responsibilities of the Sustainability and Territory Committee to include Corporate Governance issues, closely linked to those of Sustainability, not only in the environmental sense, but also in the social and economic sense, changing its name to ESG and Territory Relations Committee;
- separated the functions previously assigned to the Control and Risk Committee by setting up a Related Parties Committee to which it assigned the tasks envisaged by the relevant Consob regulations and the specific procedure for regulating transactions with related parties;
- approved the remuneration to be attributed to the Chair and the Members of the Related Parties Committee as shown below.

In addition, in July 2020, a Macro-Organization was resolved, which determined a number of 7 positions (covered - as of July 2020 - by as many holders) attributable to Key Executives.

In June 2021, a Strategic Executive left the Group by voluntary resignation and - in October 2021 - a change in the Macro-Organization was resolved. In addition, as disclosed to the market on February 22, 2022, Andrea Crenna, Director of Planning, Finance and Control and Group Financial Reporting Officer, identified for his responsibilities as Strategic Executive, resigned, effective April 30, 2022, to pursue new professional opportunities.

As of the date of this Report, therefore, there are 6 positions (covered by 6 holders) attributable to Key Executives.

c2. Remuneration of the Members of the Board of Directors

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

- the fixed annual gross remuneration, approved by the Shareholders' Meeting upon appointment, received as Member of the Board of Directors 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 the table below. 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.

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. For the Directors who are members of professional bodies, the 4% contribution, as required by law, is paid entirely by the Company.

Committee	Emolument for participation in Committees (amounts in euro)	
	Chair	Member
Control and Risks Committee	30,000	20,000
Remuneration and Appointments Committee	20,000	19,000
ESG and Territory Relations Committee (new name for the Sustainability and Territory Committee)	20,000	19,000
Related Parties Committee	20,000	19,000

The remuneration payable for membership on Board Committees was approved by the Board of Directors based on an in-depth benchmarking study conducted by the Remuneration and Appointments Committee in 2021 that analyzed:

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

Moreover:

- on November 12, 2020, the Board of Directors established, on the proposal of the Remuneration and Appointments Committee, that the “Internal Audit” function report functionally to the Vice Chair Giovanni Comboni, assigning, with the favourable opinion of the Board of Statutory Auditors, an additional remuneration of 40,000 euro gross per year for said responsibility, in line with as already approved by the previous Board of Directors for this position, to be added to the remuneration received as a Director;
- on August 6, 2021, the Director Vincenzo Cariello resigned from the role of Lead Independent Director (appointment of November 12, 2020) due to sudden personal reasons and therefore, on October 21, 2021, the Board of Directors appointed, until the approval of the financial statements as at December 31, 2022, Lead Independent Director Secondina Giulia Ravera, assigning remuneration equal to 10,000 euro gross/year pro-rated for the period of office, already resolved for said appointment.

c3. Remuneration of the Chair of the Board of Directors

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

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

For the Chair no attendance tokens are provided for individual 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 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 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 2020 by the Board of Directors considering:

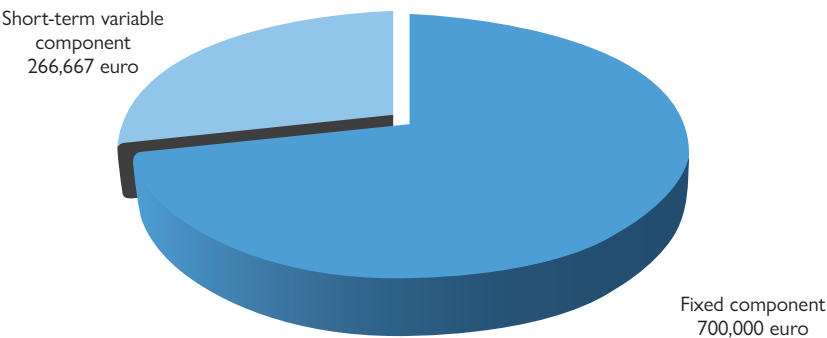
- the remuneration practices of companies with similar characteristics to A2A;
- the executive nature and the strategic importance of the Chair;
- the responsibilities, delegations and powers attributed.

c4. Remuneration of the CEO and General Manager

The remuneration package of the CEO-General Manager for 2022 includes:

- fixed component:
 - annual gross fixed remuneration, approved by the Shareholders' Meeting, received as Member of the Board of Directors 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;
 - fixed remuneration received as General Manager equal to 500,000 euro/year gross;
- short-term variable component:
 - Chief Executive Officer: gross annual variable remuneration, linked to the achievement of short-term objectives, assigned annually by the Board of Directors, with a value payable on the achievement of 100% of the objectives, amounting to 66,667 euro/year gross (equal to 33% of the fixed component);
 - General Manager: gross annual variable remuneration, linked to the achievement of short-term objectives, assigned annually by the Board of Directors, with a value payable on the achievement of 100% of the objectives, amounting to 200,000 euro/year gross (equal to 40% of the fixed component);

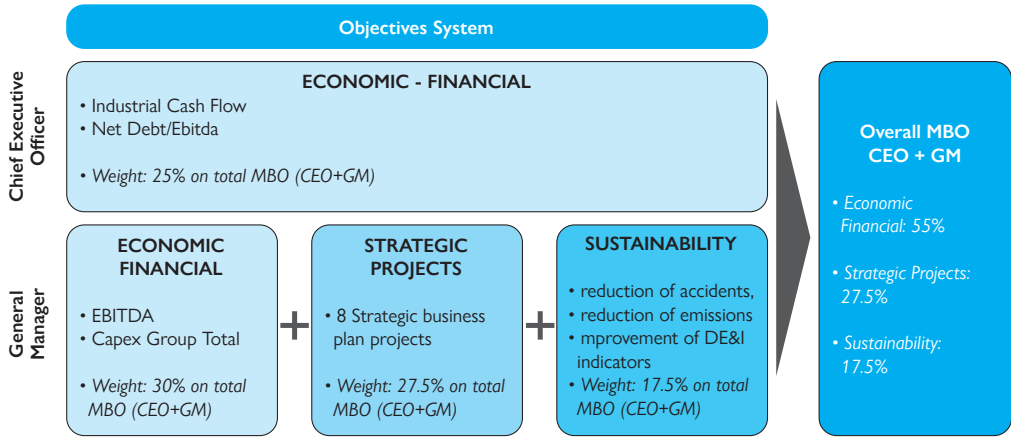
The following chart illustrates the composition of the CEO-General Manager remuneration package as a whole.



The annual short-term variable remuneration envisages:

- a Gate, based on EBITDA of the Company in 2022 and Capex at 12/31/2022, which reduces by 30% or cancels the remuneration payable if the Group's economic-financial performance is not in line with the budget of the year of reference;
- for the CEO, two objectives:
 - Industrial Cash Flow, set as target on the budget value for the reference year and with fluctuation +/-5%;
 - Net Debt/Ebitda, set, as target, at 3.0 with a range of 3.3 (corresponding to the minimum achievement of the target) and 2.7 (corresponding to the maximum achievement of the target);
- for the General Manager the following annual objectives:
 - Economic - Financial (weight in order to pay 40%):
 - Ebitda, set as target on the budget value for the reference year and with fluctuation +/-5%;
 - Capex set, as maximum (120%) on the budget value, as minimum on 85% of the budget value and as target (100%) on the linear interpolation between minimum and maximum;
 - Strategic Projects (weight in order to pay 37%): 8 projects of major strategic importance envisaged in the Business Plan, periodically monitored by the Board of Directors;

- Sustainability (weight in order to pay 23%): focused on: reduction of accidents, reduction of emissions and improvement of DE&I indicators (in terms of: increase in the % of female managers; increase in the presence of women on the Boards of Directors of subsidiaries and investee companies; increase in the % of women hired).



In addition to the 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:

- CEO: between 26.7% and 40% of the fixed component (equal to 200,000 euro) depending on the level of achievement of objectives;
- General Manager: between 32% and 48% of the fixed component (equal to 500,000 euro) depending on the level of achievement of objectives;

The higher % indicated above (40% and 48%) represent a maximum amount above which, even in the presence of over-performance of the Company and the CEO-General Manager, no further increase of the amount due shall be provided.

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

c5. Remuneration of Key Executives

In July 2020, a Macro-Organization was resolved, which determined a number of 7 positions (covered - as of July 2020 - by as many holders) attributable to Key Executives.

In June 2021, a Strategic Executive left the Group by voluntary resignation and - in October 2021 - a change in the Macro-Organization was resolved. In addition, as disclosed to the market on February 22, 2022, Andrea Crenna, Director of Planning, Finance and Control and Group Financial Reporting Officer, identified for his responsibilities as Strategic Executive, resigned, effective April 30, 2022, to pursue new professional opportunities.

As of the date of this Report, therefore, there are 6 positions (covered by 6 holders) attributable to Key Executives.

At the date of this Report, the Remuneration and Appointments Committee, on the mandate of the Board of Directors, is assessing, also through market benchmarking, whether to change the criteria for determining key positions. The criteria defined in 2019 by the Board of Directors on the proposal of the Remuneration and Appointments Committee must currently still be considered valid:

- 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;
- concrete possibility of impacting the Group's current business as well as its evolution and future prospects;
- fundamental role for the implementation of the Strategic Plan;

For 2022, the remuneration packages of Key Executives include:

- annual fixed component 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 30%-45% (average value 35%) of the annual gross fixed amount.

The annual short-term variable remuneration envisages:

- a Gate, based on EBITDA of the Company in 2022 and Capex at 12/31/2022, which reduces by 30% or cancels the remuneration payable if the Group's economic-financial performance is not in line with the budget of the year of reference;
- the following annual objectives:
 - Economic Financial (in a range of 42% - 51%):
 - Group related to Net Debt/Ebitda and Ebitda ratios;
 - accruals related to Costs, Capex and Industrial Cash Flow;
 - Strategic projects (in a range 24% - 33%): selection of projects of strategic importance consistent with the area of responsibility;
 - sustainability, with an overall weight of 17.5%, up 2.5% on the previous year. For 2022, in order to strengthen the commitment to sustainability, in addition to increasing its weight, it was decided to assign the same objectives to the entire first line of the General Manager: reduction of accidents, reduction of emissions and improvement of DE&I indicators (in terms of: increase in the % of female managers; increase in the presence of women on the Boards of Directors of subsidiaries and investee companies; increase in the % of women hired);
 - competencies, with soft skills assessment, for a total weight of 7.5%.
- a maximum amount (120% of the target amount), beyond which, even in the presence of over-performance, the remuneration to be paid cannot increase further.

c6. Board of Statutory Auditors

The Remuneration Policy provides for a fixed remuneration, approved by the Shareholders' Meeting, commensurate with the responsibilities, complexity and onerousness of the assignment.

On May 13, 2020, the Shareholders' Meeting determined, for the period of office of the Board of Auditors, the following annual gross remuneration:

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

For the Statutory Auditors who are members of professional bodies, the 4% contribution, as required by law, is paid entirely by the Company.

c7. Non-monetary benefits

With the aim of ensuring that the overall remuneration offered is as competitive as possible and in line with the best practices adopted at national and international level, the total remuneration of Directors, the General Manager and Key Executives is supplemented by 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.

The Chair, Chief Executive Officer, General Manager and Key Executives will receive non-monetary benefits such as:

- 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, if with thermal or hybrid engine, fuel card (if with full electric engine, card for recharging on the road and contribution on wall-box and home recharge).

In addition to the above non-monetary benefits, a house allowance in line with the market standards of companies comparable with the Company is attributable for specific needs.

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

As far as the Chair of the Board of Directors, the Directors and the Key Executives are concerned, there are no specific agreements that regulate ex ante the economic aspects relating to the termination of office or termination of employment.

For Key Executives, the remunerations provided by law and by the National Collective Labour Agreement for executives of companies belonging to the Confservizi associations apply; the overall individual remuneration, therefore, may reach, excluding the indemnity in lieu of notice, a maximum of 24 months' pay calculated on the basis of the criteria of article 2121 of the Civil Code.

For the Chief Executive Officer-General Manager, considering that the subordinate employment relationship of the General Manager and the position of Chief Executive Officer are, by the nature of the activity involved in the job with respect to that of the office, connected, complementary and inseparable, an agreement is in place for the termination of both the administrative and managerial relationship, which provides the payment of an amount equal to the sum of the indemnity in lieu of notice and the maximum additional indemnity provided for by the National Collective Labour Agreement, in relation to the case of termination of the employment relationship⁵.

This remuneration is due if the relationship is terminated by the Company for reasons other than just cause or by the Chief Executive Officer-General Manager for resignation for just cause due to events that have caused actual and concrete demotion, or due to organizational changes within the Company that have caused a reduction in duties (including the revocation or non-renewal of the office of Chief Executive Officer in the absence of just cause).

The application of the above, in the event of termination in the year 2022, would result in:

- for the Chief Executive Officer-General Manager, the payment of an amount equal to 14 months total and inclusive of the notice period of remuneration calculated according to the conventional rules;
- for Key Executives the payment of an amount based on individual seniority and with an average value equal to 23 months of remuneration calculated on the basis of the criteria of article 2121 of the Civil Code (minimum 14 and maximum 36).

In addition, the Company may, beginning in 2022, apply non-competition and non-solicitation covenants to be implemented in favour of certain executives, including the General Manager with the following, alternative logics:

- disbursement, during the course of employment, of an amount up to 100% of annual global remuneration in a lump sum; or
- disbursement of an option (approximately 20% of the RAL for each year) that gives A2A the right to enter into a non-competition and non-solicitation agreement on terms and conditions already provided for (amount up to 100% of total remuneration); or
- disbursement, upon termination of employment, of an amount up to 100% of total pay with quarterly payment;

for a commitment not to carry out activities in competition with the Group during the 12 months following termination of the employment relationship, with a limitation to the Italian territory.

Should the employment relationship come to an end due to voluntary resignation, the Company may also assess, on the basis of the specific situation, not to request either the performance of the notice period or the payment of the relative indemnity for lack of notice.

c9. Deferral of cash components and claw-back and malus clauses

With regard to the variable component of remuneration, claw-back clauses are provided for, within the time limits established by the laws in force and regardless of the termination of the employment relationship, which allow the Company to take steps to return all or part of the variable components of remuneration (or not to pay them, also withholding, in the context of malus clauses, the components subject to deferral).

These controls are put in place if it is ascertained that the sums allocated have been determined on the basis of objectives whose achievement is attributable to wilful or grossly negligent conduct or, in any case, carried out in violation of the reference standards (company, legal, contractual) or have been achieved on the basis of data that subsequently turned out to be manifestly incorrect.

⁵ This amount will be calculated, with regard to the fixed part, on the basis of the Fixed Remuneration actually received at the time of termination of the employment relationship; with regard to the variable part, on the basis of the average remuneration actually received or accrued in the last three years as Variable Remuneration. Should the termination take place before the end of the third year, as better remuneration, reference shall be made to the better remuneration between 60% of the amount of the Variable Remuneration - as determined above - and the Variable Remuneration actually received in the previous year (if the relationship has lasted less than two years) or the average Variable Remuneration actually received in the previous two years.

A2A also reserves the right not to proceed with any disbursement in respect of individuals who have carried out conduct in breach of company regulations (with particular regard to the Code of Ethics, the Organization Model pursuant to Legislative Decree 231/01 and the Anti-Corruption Model), contractual or legal, or of malicious or seriously negligent conduct committed to the detriment of the Company.

The application of these ex post mechanisms is in any case without prejudice to any other action or remedy permitted by law to protect the interests of the Company.

Therefore, from 2021, the A2A Policy envisages ex-post correction mechanisms in the form of claw-back clauses, which allow the Company to ask for the restitution - or rather not to make payments in the context of malus clauses - of all or part and within three years from bonus pay-out, of the variable components of remuneration paid to individuals who, with wilful misconduct or gross negligence, have altered the data used to achieve the targets or have behaved in breach of corporate, contractual or legal regulations.

To date, there are no deferral mechanisms in the payment of the fixed or variable component. In view of the amount of the short-term variable remuneration, also assessed with reference to market benchmarks, the Company did not consider it necessary to include a deferral mechanism.

c10. Benchmark of other companies on remuneration policies

The preparation of the Guidelines on remuneration and the evaluation of the policies implemented are carried out - as previously indicated - 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: “Narrow Energy Market” consisting of a subset of the Company's Italian peer companies in the Energy market (Acea Group, Iren Group, Enel Group, Eni, Italgas, Snam, E-on Italia, GE Power).

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

6 Section 2 - Implementation of the 2021 Remuneration Policy

This section of the Remuneration Report provides:

- a representation of each of the items that make up the remuneration for the previous year (2021) for Members of the Board of Directors and Controlling Bodies, General Manager and Key Executives;
- an analytical illustration of remuneration paid in the prior year (2021) and a comparison of performance goals achieved with those expected.

Remuneration paid in 2021 is fully consistent with Section One of the 2021 Remuneration Policy Report.

As explained in Section One of this Report on May 13, 2020, the Shareholders' Meeting:

- appointed, for the three-year period 2020-2022, a Board of Directors consisting of 12 members;
- appointed Marco Patuano as Chair of the Board of Directors;
- appointed Giovanni Comboni as Vice-Chair of the Board of Directors;
- appointed, for the three-year period 2020-2022, a Board of Statutory Auditors consisting of 3 standing members and 2 substitute members;
- determined, in accordance with the provisions of the Company By-laws, the annual remuneration payable for the office of Director of the Board of Directors (80,000 euro/year gross, pro-rata for the period of office), Chair of the Board of Statutory Auditors (130,000 euro/year gross, pro-rata for the period of office) and Member of the Board of Statutory Auditors (80,000 euro/year gross, pro-rata for the period of office).

Subsequently, on May 14, 2020, the Board of Directors appointed Renato Mazzoncini as CEO and General Manager of the Company; following a resolution of the same Board of Directors, he was also hired on a permanent management contract.

On June 18, 2020, the Board of Directors, on the proposal of the Remuneration and Appointments Committee, with the favourable opinion of the Board of Statutory Auditors, in continuity with the previous mandate and in consideration of the historical moment, marked by the spread of the Covid 19 pandemic and consequently by a serious economic crisis that did not allow hypothesizing increases in remuneration despite the presence of two new top management figures of significant importance, resolved to award:

- Marco Patuano - for the position of Chair of the Board of Directors - remuneration of 250,000 euro gross per year and non-monetary benefits similar to those provided for general company executives;
- Renato Mazzoncini - for the position of Chief Executive Officer - remuneration of 120,000 euro gross/year with a variable amount of 80,000 euro gross/year upon achievement of the maximum level of the targets.

At the same meeting of June 18, 2020, also in continuity with the past and fully consistent with the Company's Remuneration Policy, the Board of Directors, on the proposal of the Remuneration and Appointments Committee and with the favourable opinion of the Board of Statutory Auditors, resolved the gross annual remuneration to award the Chairs and Members of the internal Board Committees.

On May 13, 2021, the Board of Directors, to continue its programme to update the Company's corporate governance rules to bring them into line with the Principles and Recommendations of the new Corporate Governance Code adopted by the Company:

- updated of the regulations of the Board of Directors and internal committees;
- extended the responsibilities of the Sustainability and Territory Committee to include Corporate Governance issues, closely linked to those of Sustainability, not only in the environmental sense, but also in the social and economic sense, changing its name to "ESG and Territory Relations Committee";
- separated the functions previously assigned to the Control and Risks Committee by setting up a Related Parties Committee to which it assigned the tasks envisaged by the relevant Consob regulations and the specific procedure for regulating transactions with related parties;
- resolved, on the proposal of the Remuneration and Appointments Committee and with the favourable opinion of the Board of Statutory Auditors and on the basis of an in-depth market analysis, not to modify the remuneration already envisaged for the Control and Risks, Remuneration and Appointments and ESG and Territory Relations Committees and to grant the Chair and the Members of the Related Parties Committee the annual gross remuneration, pro-rata for the period of office, shown in the table below.

Committee	Emolument for participation in Committees (amounts in euro)	
	Chair	Member
Control and Risks Committee	30,000	20,000
Remuneration and Appointments Committee	20,000	19,000
ESG and Territory Relations Committee (new name for the Sustainability and Territory Committee)	20,000	19,000
Related Parties Committee	20,000	19,000

Lastly:

- on November 12, 2020, the Board of Directors established, on the proposal of the Remuneration and Appointments Committee, that the “Internal Audit” function report functionally to the Vice-Chair Giovanni Comboni, assigning, with the favourable opinion of the Board of Statutory Auditors, an additional remuneration of 40,000 euro gross per year for this responsibility, in line with as already approved by the previous Board of Directors for this position, to be added to the remuneration received as a Director;
- on August 6, 2021, the Director Vincenzo Cariello resigned from the role of Lead Independent Director (appointment of November 12, 2020) due to sudden personal reasons and therefore, on October 21, 2021, the Board of Directors appointed, until the approval of the financial statements as at December 31, 2022, Lead Independent Director Secondina Giulia Ravera, assigning remuneration equal to 10,000 euro gross/year pro-rata for the period of office, already resolved for said appointment.

With respect to the foregoing, described below is the remuneration paid in 2021 to:

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

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

Comparison of the annual change in remuneration, company results and employee remuneration

In accordance with the new Issuers' Regulations - and with Annex 3A, Schedule 7-bis, Section II, Part One, par. 1.5 - the tables below show the trend of the Company's results and their correlation with the remuneration multiples between the Chief Executive Officer and the average remuneration of employees (both fixed and short-term variable remuneration), as well as the evolution of the remuneration of the main offices of the Company, Directors and Statutory Auditors.

euro/m

Year	Revenues	Gross operating margin	Operating income
2018	6,494	1,231	588
2019	7,324	1,234	687
2020	6,848	1,200	554
2021	11,549	1,428	660

euro/000 - remuneration

Year	Fixed remuneration CEO+GM	Average fixed remuneration for employees ⁽¹⁾	Number of employees (HC)	Fixed pay ratio
2019	700,000	36,568	11,271	19.14
2020	700,000	36,549	11,470	19.15
2021	700,000	36,538	12,351	19.16

1 All permanent and fixed-term employment contracts were considered as employees, re-proportioned to 100% in the case of part-time employment.

6 Section 2 - Implementation of the 2021 Remuneration Policy

euro/000 - overall remuneration

Year	Global remuneration (fixed + variable) CEO+GM	Global remuneration (fixed + variable) average employees	Number of employees (HC)	Overall pay ratio
2019	976,527	43,434	11,271	22.48
2020 ⁽²⁾	980,665	43,244	11,470	22.68
2021	983,880	43,342	12,351	22.67

Annual change in remuneration

Offices/Roles	2019	2020	Δ % 20-21	2021
Chair of the Board of Directors	330,000	330,000	-	330,000
Directors	80,000	80,000	-	80,000
CEO and General Manager	976,527	980,665 ⁽²⁾	+ 0.3%	983,880
Chair of the Board of Statutory Auditors	130,000	130,000	-	130,000
Statutory Auditors	80,000	80,000	-	80,000

- The remunerations shown in the table above are annual and for:
- Chair of the Board of Directors: include the remuneration for the role of Director and for the office of Chair. They do not include remuneration for participation in Committees and grossed up expenses;
 - Directors: do not include remuneration for participation in Committees. They do not include any payments of the 4% contribution, paid in full by the Company, required by law for Directors enrolled in professional pension funds;
 - Chief Executive Officer and General Manager - include the remuneration for serving as Board Director, the fixed and variable remuneration for serving as CEO and the fixed and variable remuneration provided for the General Manager.

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

- In 2021, each Board Director was paid following amounts:
- gross fixed 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 scheme above, pro-rata for the term of office.

In addition to the previous amounts, in accordance with the resolution of the Board of Directors, the Chair was granted remuneration of 250,000 euro/year for the specific office assigned. The Chair of the Board of Directors incoming, consistent with the disclosures provided in the 2021 Remuneration Report and in this document, considering the type of employment contract they have with the Company, paid and undertaken at sole expense by the Company were the contributions for pension purposes under the separate management system.

- Moreover:
- in line with as indicated in the 2021 Remuneration Report in addition to the remuneration received as Director, the Vice-Chair of the Board of Directors, Giovanni Comboni, was paid gross annual remuneration of 40,000 euro for the responsibility for the "Internal Audit" function;
 - Independent Director Vincenzo Cariello was paid an additional remuneration of 10,000 euro gross/year pro-rata for the period in office (and therefore equal to 5,973 euro gross) for the role of Lead Independent Director.
 - Independent Director Secondina Ravera was paid an additional remuneration of 10,000 euro gross/year pro-rata for the period in office (and therefore equal to 1,945 euro gross) for the role of Lead Independent Director.

2 The values indicated for the year 2020 refer instead to the annual remuneration package defined for Renato Mazzoncini, in office as CEO and General Manager from May 13, 2020. In particular, for the year 2020, for the fixed remuneration, the value approved by the Shareholders' Meeting and the Board of Directors was considered; for the variable remuneration, the value re-proportioned over the entire year was considered and not the actual pro-rata amount paid.

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.

For the Directors who are members of professional bodies, the 4% contribution, as required by law, was paid entirely by the Company.

The annexed table (1a) also indicates, for Directors, including the Chair, 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 13, 2020.

In particular, the following were paid:

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

For Statutory Auditors who are members of professional bodies, the 4% contribution, as required by law, was paid entirely by the Company.

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.

Chief Executive Officer

In 2021, the following amounts were paid to the Chief Executive Officer:

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

As stated in the 2021 Remuneration Report, annual variable remuneration included:

- for the entire population assigned variable incentives, including the Chief Executive Officer, an "access gate", based on EBITDA of the Company in 2021 and Capex at 12/31/2021, which reduced by 30% or annulled the remuneration payable if the Group's economic-financial performance is not in line with the budget of the year of reference;
- for the CEO, two goals:
 - Industrial Cash Flow, set as target on the budget value for the reference year and with fluctuation +/-5%;
 - Net Debt/Ebitda, set, as target, at 3.3x with a range of 3.5x (corresponding to the minimum achievement of the target) and 3.1x (corresponding to the maximum achievement of the target)³.

For the Chief Executive Officer, as described in the 2021 Remuneration Report, in addition to the "access gate", it was also required to achieve a minimum level of the targets below which the remuneration could not be paid; upon exceeding said level, the remuneration could vary linearly between 26.7% and 40% of the total emolument (200,000 euro) depending on the level of achievement of targets.

The 40% of the overall emolument (80,000 euro) represented 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 was provided.

³ Ebitda and Capex do not include the differential contribution from new acquisitions (M&A transactions). Net Debt / Ebitda includes the differential contribution from new acquisitions (M&A transactions), excluding those above 500 million, and the portion of Ebitda from this source ("acquired" Ebitda), for the purposes of calculating the ratio, shall be pro-forma on 12/12.

At the beginning of 2022, the Board of Directors, with the support of the Remuneration and Appointments Committee, verified and certified the level of achievement of the aforementioned targets by calculating the resulting overall % of achievement (equal to 120%), against which variable remuneration was paid to the Chief Executive Officer equal to 80,000 euro (or 40% of the fixed remuneration), as illustrated in the following table showing the performance targets achieved compared to those expected:

Objective Description	Weight	Performance scale			Achievement		Pay-out
		Minimum	Target	Maximum	Actual	Achievement	
Industrial Cash Flow (2021 budget)	50%	83	88	92	317	120%	40,000
Net Debt / Ebitda (2021 budget)	50%	3.5	3.3	3.1	2.8	120%	40,000

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

General Manager

In 2021, as fixed component, the General Manager was paid fixed remuneration of 500,000 euro/year.

As stated in the 2021 Remuneration Report, annual variable remuneration included:

- for the entire population assigned variable incentives, including the General Manager, an “access gate”, based on EBITDA of the Company in 2021 and Capex at 12/31/2021, which reduced by 30% or annulled the remuneration payable if the Group’s economic-financial performance is not in line with the budget of the year of reference;
- for the General Manager, the following objectives:
 - Ebitda, set as target on the budget value for the reference year and with fluctuation +/-5%;
 - Capex set, as maximum (120%) on the budget value, as minimum on 85% of the budget value and as target (100%) on the linear interpolation between minimum and maximum⁴;
 - Strategic Projects (weight in order to pay 37%): 10 projects of major strategic importance envisaged in the Business Plan;
 - Sustainability (weight in order to pay 23%), regarding:
 - Improvement of D&I KPIs (increase in the % of women in management compared with the previous year; increase in the presence of women on the Boards of Directors of subsidiaries/ investee companies compared with the previous year; increase in the % of women on selection short lists);
 - Reduction of injuries by limiting the value [Frequency Index*Severity Index] below the maximum value defined for the Group
 - Reduction in CO2 emissions, reaching the value forecast in the 2021 business plan.

At the beginning of 2022, the Board of Directors, with the support of the Remuneration and Appointments Committee, verified and certified the level of achievement of the aforementioned targets by calculating the resulting overall % of achievement (equal to 101.94%), against which variable remuneration was paid to the General Manager equal to 203,880 euro (or 40% of the fixed remuneration), as illustrated in the following table showing the performance targets achieved compared to those expected:

4 Ebitda and Capex do not include the differential contribution from new acquisitions (M&A transactions). Net Debt / Ebitda includes the differential contribution from new acquisitions (M&A transactions), excluding those above 500 million, and the portion of Ebitda from this source (“acquired” Ebitda), for the purposes of calculating the ratio, shall be pro-forma on 12/12.

Objective Description		Weight	Performance scale			Achievement		Pay-out
			Minimum	Target	Maximum	Actual	Achievement	
Economic-financial	Ebitda (2021 budget)	20.0%	1,143	1,204	1,264	1,428	120%	48,000
	Capex (2021 budget; maintenance and development)	20.0%	889	968	1,046	1,074	120%	48,000
Specific	Strategic Projects: # projects on time and on budget 10 projects of major strategic importance envisaged in the Business Plan, monitored periodically by the Board of Directors	37.0%	6	8	10	8	100%	74,000
Sustainability	a. % women in management: tgt 22% (actual 2020 21%) b. % women on Boards of subsidiaries / investee companies: tgt 28% (actual 2020 26%) c. % women on selection short lists: tgt 23% (actual 2020 21%)	7.7%	1	2	3	3 (data as of 12/31: a. 24.06%; b. 28%; c. 23.94%)	120%	18,480
	Containment of the If*lg value below the maximum value defined for the Group (9.93 actual 2020)	7.7%	9,92	9,52	8,94	9,52	100%	15,400
	CO2 emissions (tonnes; actual 2020: 5,703)	7.6%	5,703	5,586	5,469	6,816	0%	-

Key Executives

As described in the first section of this document, in July 2020, a Macro-Organization was resolved, which determined a number of 7 positions (covered - as of July 2020 - by as many holders) attributable to Key Executives.

In June 2021, a Strategic Executive left the Group by voluntary resignation and - in October 2021 - a change in the Macro-Organization was resolved.

With respect to the above, in 2021, the organizational positions held by Key Executives remained 7. However, during the year, the holders were reduced from 7 to 6.

The economic values shown below are therefore pro-rated based on the months of the year 2021 in which the individual holders were Key Executives. The % achievement of targets is an average of individual achievements.

In 2021, by way of a fixed component, Key Executives were paid a total of 1,815,710 euro/year; the total of the variable component of the remuneration totalled 653,767 euro (36% of the fixed component), with respect to an average achievement of the targets assigned of 112.01%.

With regard to the variable component of remuneration, below is a breakdown by macro-area of the average percentage achieved.

Macro-description	% average of achievement
Economic-financial objectives	116%
Functional objectives	110%
Sustainability objectives	102%
Skills	116%

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

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

(A)	(B)	(C)		(D)	(1)
Surname Name	Office	Period for which the office was covered		End of term	Fixed remuneration
		from	to		
Patuano Marco Emilio Angelo	Chair A2A S.p.A.	01.01.2021	12.31.2021	12.31.2022	272,651 (*)
	Director A2A S.p.A.	01.01.2021	12.31.2021	12.31.2022	80,000
Comboni Giovanni	Vice Chair A2A S.p.A.	01.01.2021	12.31.2021	12.31.2022	-
	Director A2A S.p.A.	01.01.2021	12.31.2021	12.31.2022	80,000
	Responsibility for the Internal Audit function of A2A S.p.A.	01.01.2021	12.31.2021	-	40,000
Bariatti Stefania	Director A2A S.p.A.	01.01.2021	12.31.2021	12.31.2022	80,000
Mazzoncini Renato	CEO A2A S.p.A.	01.01.2021	12.31.2021	12.31.2022	120,000
	Director A2A S.p.A.	01.01.2021	12.31.2021	12.31.2022	80,000
Cariello Vincenzo	Director A2A S.p.A.	01.01.2021	12.31.2021	12.31.2022	80,000
	Lead Independent Director	01.01.2021	08.06.2021	08.06.2021	5,973
D'Andrea Federico Maurizio	Director A2A S.p.A.	01.01.2021	12.31.2021	12.31.2022	80,000
De Paoli Luigi	Director A2A S.p.A.	01.01.2021	12.31.2021	12.31.2022	80,000
Giusti Gaudiana	Director A2A S.p.A.	01.01.2021	12.31.2021	12.31.2022	80,000
Lavini Fabio	Director A2A S.p.A.	01.01.2021	12.31.2021	12.31.2022	80,000
Perrotti Christine	Director A2A S.p.A.	01.01.2021	12.31.2021	12.31.2022	80,000
Ravera Secondina Giulia	Director A2A S.p.A.	01.01.2021	12.31.2021	12.31.2022	80,000
	Lead Independent Director	10.21.2021	12.31.2021	12.31.2022	1,945
Speranza Maria Grazia	Director A2A S.p.A.	01.01.2021	12.31.2021	12.31.2022	80,000
(I) Remuneration in the company drafting the Financial Statements					1,400,569
(II) Remuneration from Subsidiaries and Associates					
(III) TOTAL					1,400,569

(*) Include grossed up expenses

(**) Remuneration received as Chair of AMSA S.p.A.

Within the framework of the renewal of the Board of Directors of Amsa S.p.A., the Related Parties Committee examined and expressed its favourable opinion on the candidacy of Lawyer Federico Maurizio d'Andrea for the position of Chair of the Board of Directors of Amsa, with the related allocation of a remuneration set at a maximum amount of 180,000.00 euro for the three-year term of office

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

(A)	(B)	(C)		(D)	(1)
Surname Name	Office	Period for which the office was covered		End of term	Fixed remuneration
		from	to		
Sarubbi Giacinto Gaetano	Chair	01.01.2021	12.31.2021	12.31.2022	130,000
Lombardi Maurizio Leonardo	Standing Auditor	01.01.2021	12.31.2021	12.31.2022	80,000
Segala Chiara	Standing Auditor	01.01.2021	12.31.2021	12.31.2022	80,000
(I) Remuneration in the company drafting the Financial Statements					290,000
(II) Remuneration from Subsidiaries and Associates					
(III) TOTAL					290,000

(2)	(3)		(4)	(5)	(6)	(7)	(8)
Remuneration for participation in Committees (**)	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	TOTAL	Fair value of equity remuneration	Indemnity for end of term or termination of employment
	Bonuses and other incentives	Participation in the profits					
			15,910		388,561		
20,000 (1)							
19,000 (2)			308		139,308		
31,712 (3)			308		112,020		
	80,000				280,000		
31,077 (4)			308		117,358		
20,000 (5)			308	60,000 (**)	160,308		
30,000 (6)			308		110,308		
20,000 (7)			308		100,308		
19,000 (8)			308		99,308		
32,077 (9)			308		112,385		
20,000 (10)			308		102,253		
19,000 (11)			308		99,308		
261,866	80,000		18,990		1,761,425		
				60,000	60,000		
261,866	80,000		18,990	60,000	1,821,425		

(2)	(3)		(4)	(5)	(6)	(7)	(8)
Remuneration for participation in Committees (**)	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	TOTAL	Fair value of equity remuneration	Indemnity for end of term or termination of employment
	Bonuses and other incentives	Participation in the profits					
			390		130,390		
			308		80,308		
			308		80,308		
			1,006	-	291,006		
			1,006	-	291,006		

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

(A)	(B)	(C)		(D)	(1)
Surname Name	Office	Period for which the office was covered		End of term	Fixed remuneration
		from	to		
Mazzoncini Renato	General Manager	01.01.2021	12.31.2021		500,000
(I) Remuneration in the company drafting the Financial Statements					500,000
(II) Remuneration from Subsidiaries and Associates					
(III) TOTAL					500,000

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

(A)	(B)	(C)		(D)	(1)
Surname Name	Office	Period for which the office was covered		End of term	Fixed remuneration
		from	to		
Strategic Executives (7 incumbents through June 2021; 6 incumbents thereafter)					1,815,710

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

(1) Of which: ESG AND TERRITORY RELATIONS COMMITTEE (Chair)	20,000
(2) Of which: REMUNERATION AND APPOINTMENTS COMMITTEE (Member)	19,000
(3) Of which: REMUNERATION AND APPOINTMENTS COMMITTEE (Member) RELATED PARTIES COMMITTEE (Chair from 05/13/2021)	19,000 12,712
(4) Of which: ESG AND TERRITORY RELATIONS COMMITTEE (Member) RELATED PARTIES COMMITTEE (Member since 05/13/2021)	19,000 12,077
(5) Of which: CONTROL AND RISKS COMMITTEE (Member)	20,000
(6) Of which: CONTROL AND RISKS COMMITTEE (Chair)	30,000
(7) Of which: CONTROL AND RISKS COMMITTEE (Member)	20,000
(8) Of which: ESG AND TERRITORY RELATIONS COMMITTEE (Member)	19,000
(9) Of which: CONTROL AND RISKS COMMITTEE (Member) RELATED PARTIES COMMITTEE (Member since 05/13/2021)	20,000 12,077
(10) Of which: REMUNERATION AND APPOINTMENTS COMMITTEE (Chair)	20,000
(11) Of which: ESG AND TERRITORY RELATIONS COMMITTEE (Member)	19,000

(2)	(3)		(4)	(5)	(6)	(7)	(8)
Remuneration for participation in Committees (**)	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	TOTAL	Fair value of equity remuneration	Indemnity for end of term or termination of employment
	Bonuses and other incentives	Participation in the profits					
	203,880		12,565		716,445		
	203,880		12,565		716,445		
	203,880		12,565		716,445		

(2)	(3)		(4)	(5)	(6)	(7)	(8)
Remuneration for participation in Committees (**)	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	TOTAL	Fair value of equity remuneration	Indemnity for end of term or termination of employment
	Bonuses and other incentives	Participation in the profits					
	653,767			50,573	2,520,050		

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)
Surname Name	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	
Mazzoncini Renato	Chief Executive Officer								
(I) Compensation in the company drafting the Financial Statements		Plan STI 2021	80,000	Resolution 3/23/2022					
(II) Compensation from Subsidiaries and Associates									
(III) TOTAL			80,000						
Mazzoncini Renato	General Manager								
(I) Compensation in the company drafting the Financial Statements		Plan STI 2021	203,880	Resolution 3/23/2022					
(II) Compensation from Subsidiaries and Associates									
(III) TOTAL			203,880						
Key Executives									
(I) Compensation in the company drafting the Financial Statements		Plan STI 2021	653,767	Resolution 3/23/2022					
(II) Compensation from Subsidiaries and Associates									
(III) TOTAL			653,767						
TOTAL			937,647						

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 2021 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 Name	Office	Investee company	Number of shares held at the end of 2020	Number of shares purchased in 2021	Number of shares sold in 2021	Number of shares held at the end of 2021 (or at the date of termination of the office if before)
Mazzoncini Renato	Chief Executive Officer and General Manager	A2A S.p.A.	150,000	=====	=====	150,000
Guerra Cristina	Spouse of Renato Mazzoncini	A2A S.p.A.	550	=====	=====	550

TABLE 2: Shareholdings of other Key Executives

Number of Key Executives	Investee company	Number of shares held at the end of 2020	Number of shares purchased in 2021	Number of shares sold in 2021	Number of shares held at the end of 2021 (or at the date of termination of the office if before)
7 incumbents through June 2021; 6 incumbents thereafter	A2A S.p.A.	=====	20,000	=====	20,000