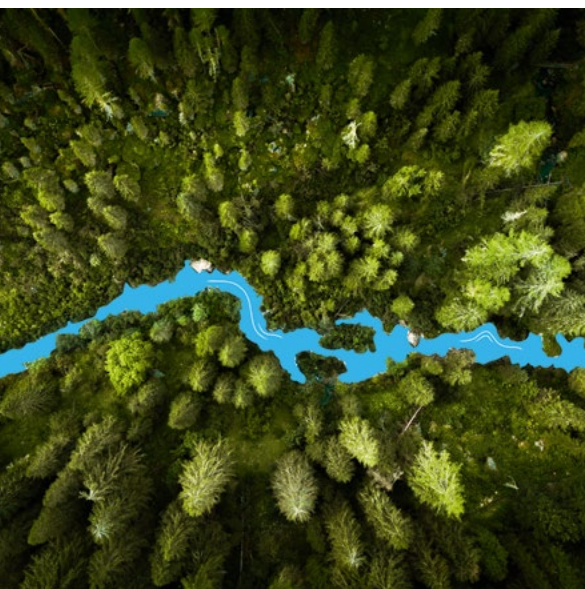


**2023**  
Report on  
Remuneration Policy  
and Remuneration Paid



# Report on Remuneration Policy and Remuneration Paid 2023

# Contents



## Synopsis 4

Letter from the Chair	4
Introduction	6
Regulatory framework	8
Governance system and organizational structure of A2A	9
2022 Remuneration Policy - Main Additions and Summary	10
Summary of remuneration components	12
Disclosure of remuneration (pay ratio)	15

## Section One

### 2023 Remuneration Policy 17

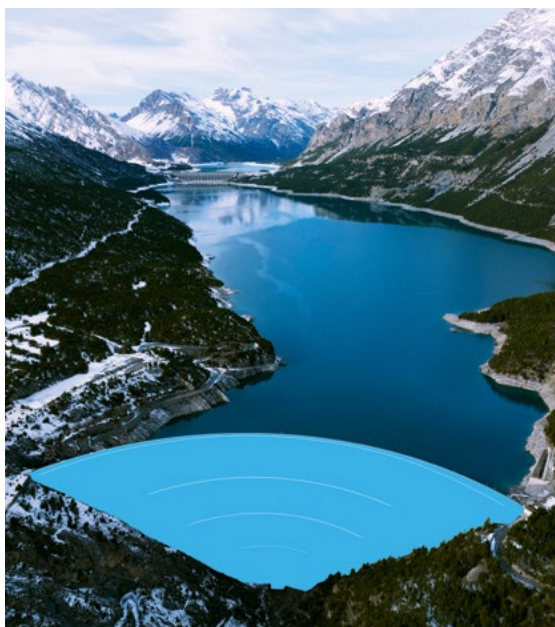
a. Preparation, approval and implementation of the Remuneration Policy: procedures, bodies and entities involved	17
b. Principles of the Remuneration Policy	22
b1. Background: working conditions of employees	22
b2. Principles of the Remuneration Policy	23
c. Detailed Structure of the Remuneration Policy	24
c1. Introduction	24
c2. Remuneration of the Members of the Board of Directors, excluding the Chair and CEO	24
c3. Remuneration of the Chair of the Board of Directors	25
c4. Remuneration of the Chief Executive Officer and General Manager	26
c5. Remuneration of Key Executives	30
c6. Board of Statutory Auditors	32
c7. Non-monetary benefits	32
c8. Indemnities in the event of termination of office or termination of employment	32
c9. Deferral of cash components and claw-back and malus clauses	33
c10. Benchmark of other companies on remuneration policies	33



## Section Two

### Implementation of the 2022 Remuneration Policy 34

Comparison of the annual change in remuneration, company results and employee remuneration	35
Members of the Board of Directors, excluding the Chief Executive Officer	38
Members of the Board of Statutory Auditors	38
Chief Executive Officer	39
General Manager	39
Key Executives	40



# Synopsis

## Letter from the Chair



“ At the end of my three-year term of office as Chair of the Remuneration and Appointments Committee of A2A S.p.A., I have the pleasure of delivering to you Shareholders the usual annual report and I take my leave with the awareness of having improved the overall Remuneration and Appointments system of A2A, knowing that much still remains to be done, however with the satisfaction of having contributed in this three-year period to a significant alignment of A2A towards the best in class on these issues.”

Secondina Giulia Ravera

Shareholders,  
at the end of my three-year term of office as Chair of the Remuneration and Appointments Committee of A2A S.p.A., I have the pleasure of presenting you with my customary annual report.

In this accompanying note, I would like to briefly summarise the main changes and achievements of this three-year period, representing the main adjustments to the A2A Group's Remuneration Policy that we have made.

The past three years have been characterised by the outbreak of the pandemic crisis in 2020 and the Russian-Ukrainian crisis

in 2022; both of these factors have led to uncertainties and tensions in the energy markets, profoundly affecting the A2A Group's performance and the provision of key services in our business.

Nevertheless, the 2022 financial year ended - for the A2A Group - with the best result ever in terms of EBITDA and the level of investments: both of these factors represent the thresholds for access to the A2A Group's variable remuneration system and are therefore carefully monitored by the Committee that I chair.

In the face of the pandemic, one of the very first interventions to mitigate and correct the Remuneration Policy was the introduction of a cap mechanism on the payment of the 2020 MBOs that would reduce the incentives paid as the A2A Group's economic performance declined. This action made it possible, at a time of great uncertainty, to give peace of mind to all persons awarded variable compensation to operate in the knowledge that they would receive compensation, albeit reduced, within the limits set by the Remuneration and Appointments Committee and the Board of Directors.

The Remuneration and Appointments Committee also worked tirelessly to improve the governance of the group's numerous companies by favouring gender representation, through important work on the appointments front that led to the renewal (total or partial) of more than 180 Boards of Directors and Boards of Statutory Auditors. Gender representation on the Boards of Directors has risen in the A2A Group from around 40% in 2020 to the current 51.6%, also thanks to changes in internal procedures and through the introduction of specific objectives within the short-term management incentive schemes.

Faced with the upturn in the labour market and confronted with the resignation of some key executives, the Remuneration and Appointments Committee worked with management and introduced innovative retention mechanisms with the aim of limiting the outflow of key people for the business to A2A's competitors and allowing the company to have mechanisms that are not excessively onerous. This, together with a renewed focus on the development paths and succession plans analysed by the Remuneration and Appointments Committee, I believe allows A2A to be better equipped to guarantee substantial continuity of the management team that governs the company.

Another important safeguard for the company was the introduction in 2021 of a claw-back system on MBOs aligned to market standards.

Of course, as A2A is one of the few listed Italian companies that does not yet have a long-term incentive plan, a great deal of attention and work has been done in this area. I am proud that the long-term incentive project was approved by the Board of Directors at its meeting on 16 March 2023, although the actual start was postponed until a time of greater stability in the markets and energy scenarios. The Board of Directors' confirmation that long-term incentive is an important requirement, the approval of the structure (objectives, thresholds, parameters, etc.) and the effort made to limit the economic impact, are a source of satisfaction for me and for the members of the Remuneration and Appointments Committee and the Board of Auditors, who have supported me so much in this project.

I bid farewell to you with the awareness of having improved the overall Remuneration and Appointments system of A2A, knowing that much still remains to be done, however with the satisfaction of having contributed in this three-year period to a significant alignment of A2A towards the best in class on these issues.

Yours sincerely,

Chair of the Remuneration  
and Appointments Committee  
**Secondina Giulia Ravera**





# Introduction

The Remuneration Policy of the A2A Group (hereinafter also the “Group”) is adopted by the Board of Directors, following an investigation and on the proposal of the Remuneration and Appointments Committee, and is defined in line with the business strategy, with the governance model implemented and with the guidelines provided by the Corporate Governance Code of Listed Companies.

The Remuneration Policy (hereinafter the “Policy”) of A2A S.p.A. (hereinafter also the “Company” or “A2A”) is aimed at:

- Promoting the pursuit of corporate targets, sustainable success and the improvement of results in the medium to long term;
- Pursuing value creation for all Group stakeholders (shareholders, employees, suppliers, customers, local communities);
- Incentivising responsibilities, actions and behaviour towards predetermined, measurable goals consistent with the Group's Strategic Plan and Sustainability Plan;
- Attracting, retaining and motivating people with excellent professional qualities, fostering the commitment of key resources;
- Strengthening the sense of belonging and “teamwork” by company Management;
- Stimulating actions and behaviour in line with the Group's values, in compliance with the principles of inclusion and diversity, equal opportunities, meritocracy, fairness, as set out in the A2A Code of Ethics.

A2A's mission is to be a *Life Company* that provides the community and customers throughout the country with services that form part of everyday life and that can make a concrete contribution to the sustainable future of new generations.

A2A promotes the vision of a cleaner world that respects the environment, regions and people.

With its unique business model in the landscape of Italian utilities, it creates industrial synergies between the energy, waste and water sectors: circular economy and energy transition are integrated by developing an integrated vision between Business Unit and Corporate.

A2A engages in a daily dialogue with regions, local and national institutions, associations, citizens and customers, to constantly renew infrastructures and offer innovative services.

In the long term, A2A has chosen to place ESG (*Environmental, Social, Governance*) objectives at the centre of the strategic plan until 2030. In the corporate strategy, approximately 85% of investments are aligned with the UN SDGs and 65% are aligned with the EU taxonomy.

From this perspective, the link between corporate strategy and reward mechanisms can be contextualized: A2A's approach to variable remuneration in fact embraces a broad concept of performance, with targets aimed at generating profit and economic-financial sustainability, together with positive impacts on all reference stakeholders (shareholders, employees, suppliers, customers, local communities), also confirming solid and prudent risk management, which has had to take into account the exceptional economic and social consequences, to be traced back to the effects of the pandemic and the war in Ukraine.

Furthermore, A2A's variable remuneration model aims to enhance and encourage cohesion and collaboration between people and organizational structures through transversal *Key Performance Indicators* and through a transparent and shared assignment process, also stimulating - with specific targets - inclusion and equal opportunities.

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.

This Report on the remuneration policy and remuneration paid (hereinafter also “*Report*”) approved on March 31, 2023 by the Board of Directors (hereinafter also “*BoD*”) of A2A S.p.A. (hereinafter also “A2A” or the “*Company*”), on the proposal of the Remuneration and Appointments Committee (hereinafter also the “*Committee*”) has been prepared in compliance with 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' Regulation, 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; Section One is subject to a binding vote, while Section Two is subject to an advisory, non-binding vote.

In particular:

- **Section One** outlines:

- the policy adopted by A2A and the companies controlled by it regarding the remuneration of executive and non-executive members of the Board of Directors, General Manager and Executives with strategic responsibilities (hereinafter also "*Key Executives*") and the members of the Supervisory Bodies, without prejudice to the provisions of article 2402 of the Italian Civil Code;
- the procedures adopted for the preparation, approval and implementation of the Remuneration Policy as well as the bodies and entities involved;

- **Section Two** outlines:

- in analytical and nominative form, the remuneration paid in 2022 to executive and non-executive members of the Board of Directors, members of the Board of Statutory 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 2022 to the Key Executives, in any capacity and in any form, by A2A and its subsidiaries/associates.

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 Statutory 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 Statutory Auditors, General Manager and Key Executives.

The information provided in this Report relates, unless otherwise indicated, to March 31, 2023, the date of its approval by the A2A Board of Directors.

This Report is made available to the public at the authorized storage system 1Info on the website [www.1info.it](http://www.1info.it), at the Company's headquarters located in Brescia, via Lamarmora 230 and on the website [www.a2a.eu](http://www.a2a.eu) ("Governance" - "Meetings" section), at least 21 days before the date of the Shareholders' Meeting called to discuss, with binding resolution, Section One of the document and, with non-binding resolution, Section Two of the document (in compliance with current legislation).

Section One -  
2023 Remuneration  
Policy

Section Two –  
Implementation  
of the 2022  
Remuneration  
Policy

# 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*, 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' Regulation, which has been supplemented several times in recent years by Consob, has 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:

- Section One contains, among other things, information on the remuneration policy of the supervisory 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;
- Section Two contains 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, on the proposal of the Remuneration and Appointments Committee, subject to the prior favourable opinion of the Related Parties Committee and having consulted the Board of Statutory Auditors, may waive the contents of the Policy illustrated in this Report.

Exceptional circumstances include extraordinary operations not previously planned (e.g. restructuring, reorganization or reconversion), exogenous shocks of an unforeseeable nature and of an extraordinary entity and/or of a 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.

In the presence of such exceptional circumstances, the Company therefore reserves the right to temporarily derogate from the Policy most recently approved by the Shareholders' Meeting on the following elements:

- targets and access gates of the variable incentive systems;
- one-off monetary bonuses, exclusively for the attraction/retention of key figures;
- allocation 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.

# 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's Articles of Association, the annual remuneration for the office of Board Director and Member of the Board of Statutory Auditors.

As the three-year term has expired, the Shareholders' Meeting to be held on April 28, 2023 will be called to appoint the Board of Directors and Board of Statutory Auditors for the three-year period 2023-2025, determining, according to the provisions of the Company's Articles of Association, the annual remuneration for the office of Board Director and member of the Board of Statutory Auditors.

*What is set forth in this document therefore illustrates the Policy approved by the Board of Directors in office at the date of publication and will be implemented during the 2023 financial year by the new Board of Directors and the competent Delegated Bodies, in compliance with what will be decided by the Shareholders at the Shareholders' Meeting that is set to renew the supervisory body.*

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 the meeting of November 12, 2020, the Board of Directors also conferred powers on the Vice-Chair with regard to Internal Audit matters.

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 shareholders' list).

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

Figure 1  Board of Directors

<b>Chair</b>	Marco Emilio Angelo Patuano		
<b>Vice-Chair</b>	Giovanni Comboni		
<b>Chief Executive Officer and General Manager</b>	Renato Mazzoncini		
<b>Members</b>	Stefania Bariatti Vincenzo Cariello Federico Maurizio d'Andrea	Luigi De Paoli Gaudiana Giusti Fabio Lavini	Christine Perrotti Secondina Giulia Ravera Maria Grazia Speranza

Figure 2  Board of Statutory Auditors

<b>Chair</b>	Giacinto Gaetano Sarubbi	
<b>Auditors</b>	<b>Statutory</b> Maurizio Leonardo Lombardi Chiara Segala	<b>Alternate</b> Antonio Passantino Patrizia Tettamanzi

The current Board of Directors has resolved to set up four Committees from among its members.

In the composition of the Committees, the Board of Directors took into account the independence requirements and professional characteristics of the Directors, so that each Committee was made up of members whose competence and professionalism was appropriate and enhanced with respect to the tasks assigned to the related Committee.

The Audit and Risk, Remuneration and Appointments, and ESG and Territorial Relations Committees have mainly advisory functions vis-à-vis the Board of Directors.

The Related Parties Committee is in charge of performing the functions required by the relevant Consob regulations and by the specific procedure for regulating related party transactions.

The following table shows the composition of the Committees as at the date of this Report.

**Figure 3**  **Board Committees**

<b>Control and Risks Committee</b>	Luigi De Paoli (Chair) Federico Maurizio d'Andrea Gaudiana Giusti Christine Perrotti
<b>Remuneration and Appointments Committee</b>	Secondina Giulia Ravera (Chair) Stefania Bariatti Giovanni Comboni
<b>ESG and Local Relations Committee</b>	Marco Emilio Angelo Patuano (Chair) Vincenzo Cariello Fabio Lavini Maria Grazia Speranza
<b>Related Parties Committee</b>	Stefania Bariatti (Chair) Vincenzo Cariello Christine Perrotti

## 2022 Remuneration Policy - Main Additions and Summary

During 2021 and 2022 A2A 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.

The analysis led - in 2022 - to the decision to introduce a long-term variable remuneration component ("*Long Term Incentive*" or "*LTI*") aimed at:

- Aligning the interests of management with those of the shareholders and with A2A's strategic plan in full;
- Linking the remuneration of managers who play a key role in the achievement of A2A's targets to the economic results achieved by the Company and the achievement of specific pre-defined medium-long term targets;
- Rebalancing the remuneration pay-mix, bringing it more in line with market practices and providing the company with a remuneration tool useful for attracting and retaining key resources.
- Last year, the introduction of the LTI was discussed, approved by the Board of Directors and illustrated in the 2022 Remuneration Report, but - in view of the geopolitical context and its potential repercussions on the business - it was postponed until there is more clarity, subject to approval by the Shareholders' Meeting.

At the end of 2022 and in the first months of 2023, on a mandate from the Board of Directors, the Remuneration and Appointments Committee examined the subject again, carrying out further in-depth studies and making some minor changes to the previously approved scheme, which aim to mitigate some changes in this area.

The Remuneration and Appointments Committee then again submitted - at its meeting of March 16, 2023 - the proposal to introduce the long-term variable remuneration component to the Board of Directors.

The Board of Directors analysed the work carried out in detail, agreeing both on the advisability of introducing a variable long-term incentive system and on the construction of the system, and, following an in-depth discussion, approved the instrument with the characteristics of the proposal of the Remuneration and Appointments Committee, which are described below in this document.

However, the Board of Directors deemed it appropriate to wait to implement it until conditions are more stable in the context of the energy market and supply, which is still currently experiencing excessively high price volatility due to external and hard-to-predict variables.

Indeed, throughout 2022, the energy climate has been increasingly volatile. The first months of 2023 have unfolded to hint at but not yet guarantee certainty, a possible stabilization in a "new normal" with higher prices than before the crisis, but with reduced volatility and much more linked to fundamental dynamics of supply/demand.

By virtue of the completion of the term of office of the current Board of Directors and the expected renewal by the Shareholders' Meeting to be held on April 28, 2023, and without prejudice to what has been indicated above on the long-term variable remuneration component, the 2023 Remuneration Policy is developed broadly in line with the previous year, as illustrated below.

A2A's Remuneration Policy is defined in full compliance with **internal fairness** and **external competitiveness** and excludes any type of discrimination.

#### Fixed remuneration

Values skills and experience and must be consistent with the characteristics of the role held and with 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.

#### Non-monetary benefits

Non-monetary benefits are envisaged which supplement the remuneration package with a Total Reward angle, mainly with regard to social security and welfare.

In addition to the above monetary benefits, a company car is also provided and a house allowance.

#### Variable remuneration

Short-term component (MBO), directly related to the achievement of annual performance targets.

Variable remuneration provides for a direct and verifiable link between the performance targets set, the results achieved and the remuneration paid. In fact, the variable component of remuneration envisage predetermined, measurable performance target linked to the Company's strategic target, measured and calculated mainly by means of economic-financial, business and sustainability indicators.

The variable component of the remuneration 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.

At the meeting of 16 March 2023, the Board of Directors also approved the introduction of a long-term component (LTI), but postponed its effective implementation until the energy situation becomes more stable.



#### 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.

In 2021, the A2A Remuneration Policy envisages ex-post correction mechanisms in the form of clawback 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.

Section One -  
2023 Remuneration  
Policy

Section Two -  
Implementation  
of the 2022  
Remuneration  
Policy



### 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.

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 relationship.

In addition, the Company may, beginning in 2022, 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 nonsolicitation agreements) for key resources holding know-how critical to the Company's business, including Key Executives.

## Summary of remuneration components

The main remuneration elements offered to recipients of the 2023 Remuneration Policy are summarized in the tables below.




Figure 4

	Fixed annual remuneration (in €)	Non-monetary benefits
<b>Chair of the Board of Directors</b>	<ul style="list-style-type: none"> <li>Remuneration for the Chair: 250,000</li> <li>Remuneration as Director: 80,000</li> </ul> <b>Total Remuneration: 330,000</b>	<ul style="list-style-type: none"> <li>Insurance policies (occupational and non-occupational injury; permanent disability due to illness and life)</li> <li>Supplementary health coverage</li> <li>Insurance for civil liability Directors, Auditors and Executives</li> <li>Mixed use car with fuel card/road refuelling card depending on motorisation</li> </ul>
<b>Vice-Chair of the Board of Directors</b>	<ul style="list-style-type: none"> <li>Remuneration as Director: 80,000</li> <li>Remuneration for Internal Audit Responsibility: 40,000</li> </ul> <b>Total Remuneration: 120,000</b>	<ul style="list-style-type: none"> <li>Insurance policy for occupational and non-occupational injuries</li> <li>Insurance for civil liability Directors, Auditors and Executives</li> </ul>
<b>Member of the Board of Directors</b>	<b>80,000</b>	
<b>Chair of the Board of Statutory Auditors</b>	<b>130,000</b>	
<b>Standing Auditor</b>	<b>80,000</b>	
<b>Chair of Board Committees</b>	Audit and Risk Committee: <b>30,000</b> Appointments and Remuneration Committee: <b>20,000</b> ESG and Local Relations Committee: <b>20,000</b> Related Party Transactions Committee: <b>20,000</b>	
<b>Member of Board Committees</b>	Audit and Risk Committee: <b>20,000</b> Appointments and Remuneration Committee: <b>19,000</b> ESG and Local Relations Committee: <b>19,000</b> Related Party Transactions Committee: <b>19,000</b>	



	Purpose	Main Features	Values (annual in €)
 <b>Fixed Remuneration/ Gross Annual Remuneration (GAS)</b>	Remunerates the role to ensure an adequate and competitive basic salary	<p>Defined in line with the <b>complexity and responsibilities of the role</b></p> <p>Determined with respect to <b>internal</b> equity, to ensure fairness on comparable roles, and to the external market, to support an adequate level of <b>competitiveness</b></p> <p>Takes into account <b>individual performance</b> monitored over a multi-year period</p>	<p><b>Chief Executive Officer (CEO):</b></p> <ul style="list-style-type: none"> <li>Remuneration for the Office of Director: 120,000</li> <li>Remuneration as Director: 80,000</li> </ul> <p><b>Total Remuneration: 200,000</b></p> <p><b>General Manager (GM): 500,000</b></p> <p><b>Key Executives (DIRS):</b> defined according to role</p>
	Rewards annual performance, based on objective and measurable indicators	<p>Linked to predetermined annual performance targets</p> <p><b>Performance indicators (CEO)</b></p> <ul style="list-style-type: none"> <li>Industrial Cash Flow of the A2A Group (weight 50%)</li> <li>Net Debt / Ebitda A2A Group (weight 50%)</li> </ul> <p><b>GM performance indicators</b></p> <ul style="list-style-type: none"> <li>A2A Group EBITDA (weight 20%)</li> <li>A2A Group Capex (weight 20%)</li> <li>Strategic Projects (weight 37%): 8 projects of major strategic importance envisaged in the Business Plan, regularly monitored by the Board of Directors</li> <li>Sustainability (weight 23%): regarding: <ul style="list-style-type: none"> <li>reduction in accidents</li> <li>two strategic projects for the containment of emissions in the medium term</li> <li>improvement of DE&amp;I indicators (compared to the previous year: increase in the % of female managers; increase in the presence of women on the boards of subsidiaries and investee companies; increase in the % of women hired).</li> </ul> </li> </ul>	<p>An access gate ("gate") based on the Ebitda of the A2A Group and Capex of the A2A Group is envisaged for all, which reduces or cancels the payable remuneration in the event of the Group's economic-financial performance not in line with the budget</p> <p>For everyone, there is also a <b>maximum amount payable ('Cap')</b></p> <p><b>Chief Executive Officer (CEO):</b> value upon achievement of 100% of target 66,667 (<b>33.3% of fixed remuneration</b>) maximum value 80,000 (40% of fixed remuneration)**</p> <p><b>General Manager (GM):</b> value upon achievement of 100% of the target <b>200,000 (40% of the GAS)</b>; maximum value 240,000 (48% of the GAS)**</p> <p><b>Strategic Managers (DIRS):</b> defined according to role (<b>on average 35% of the GAS</b>)</p>
<p><b>The introduction of this remuneration component was approved by the A2A board of directors on 16 march 2023. Actual implementation has however been postponed until the energy situation becomes more stable</b></p>			
 <b>Long-term variable remuneration (LTI Plan 2023 - 2025)</b>	Rewards medium-term performance on the basis of three-year targets	<p>Monetary, closed incentive plan with a time horizon of 2023-2025 with the following aim:</p> <ul style="list-style-type: none"> <li>A2A Group Cumulative Ebitda 2023-2025 (weight 35%)</li> <li>A2A's DH positioning compared to a panel of comparable Italian companies (35%)</li> <li>Sustainability, measured on 5 indicators across the Group's businesses</li> </ul>	<p><b>Gate</b> based on maintenance of Investment Grade</p> <p>There is a <b>maximum amount payable ('Cap')</b></p> <p><b>Chief Executive Officer (CEO) and General Manager (GM): 29%</b> of Fixed Remuneration received as CEO and as GM**</p> <p><b>Key Executives (DIRS): 30%</b> of the GAS**</p>
	Fosters the convergence of interests towards the creation of sustainable value in the medium to long term by strengthening the retention of key resources		

\*\* As part of the approval of the long-term incentive component, the Board of Directors, with a view to containing overall remuneration, also approved - for the Chief Executive Officer - General Manager and for Key Executives positioned at a distance of less than -15% from the market median considered as a reference for A2A, a revision of the amount of the short-term variable component. Specifically, upon the introduction of the long-term variable component, the short-term variable component will be reduced by 1/3 of the amount of the long-term variable component, with no change in fixed remuneration.

Purpose	Main Features
 <p><b>Indemnity in the event of termination of office or termination of employment</b></p>	<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>There is only a contractual agreement for the Chief Executive Officer-General Manager for the termination of the directorship relationship and of the managerial relationship, given that the employment relationship of the General Manager and the office of Chief Executive Officer are, due to the nature of the activity involved in the job with respect to that of the office, connected, complementary and inseparable.</p> <p>This remuneration is only 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. <b>In the event of termination in the year 2023</b>, 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 <b>14 months' pay, including the notice period, of remuneration</b> calculated according to the conventional discipline.</p>
 <p><b>Non-competition agreement</b></p>	<p>Protects the company from the transfer of know-how to competing companies as a result of the exit of resources with key competencies</p> <p>Starting from 2022, A2A may establish, on the date of hiring or during the employment relationship, non-competition and non-solicitation agreements or options for the activation of non-competition and non-solicitation agreements.</p> <p>At the date of this Report, there are no PNC active towards the CEO-GM and instead there are options for PNC for 6 Key Executives</p>
 <p><b>Non-monetary benefits</b></p>	<p>Include the remuneration package from a total reward perspective</p> <ul style="list-style-type: none"> <li>• Insurance policies (occupational and non-occupational injury; permanent disability due to illness and life)</li> <li>• Health coverage provided by the National Collective Labour Agreement applied and supplementary</li> <li>• Insurance for civil liability Directors, Auditors and Executives car for mixed use and, if with a thermal or hybrid engine, fuel card, if with a full electric engine, card for recharging on the road and contribution on wall-box and home recharge;</li> <li>• House allowance</li> </ul>

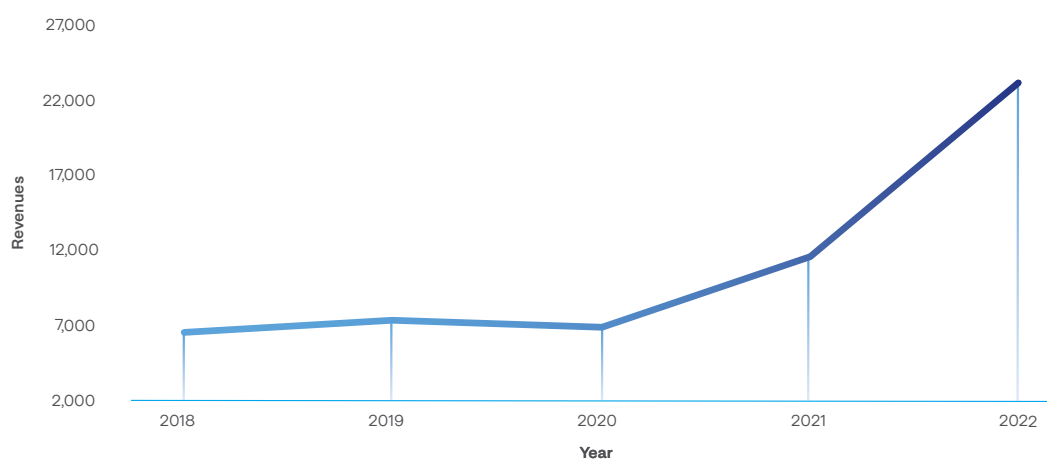
## Disclosure of remuneration (pay ratio)

With a view to increasing transparency towards stakeholders, the tables below illustrate the trend in company results and the relative correlation with the remuneration multiples between the Chief Executive Officer and the average remuneration of employees (i.e. fixed which also includes short-term variable).

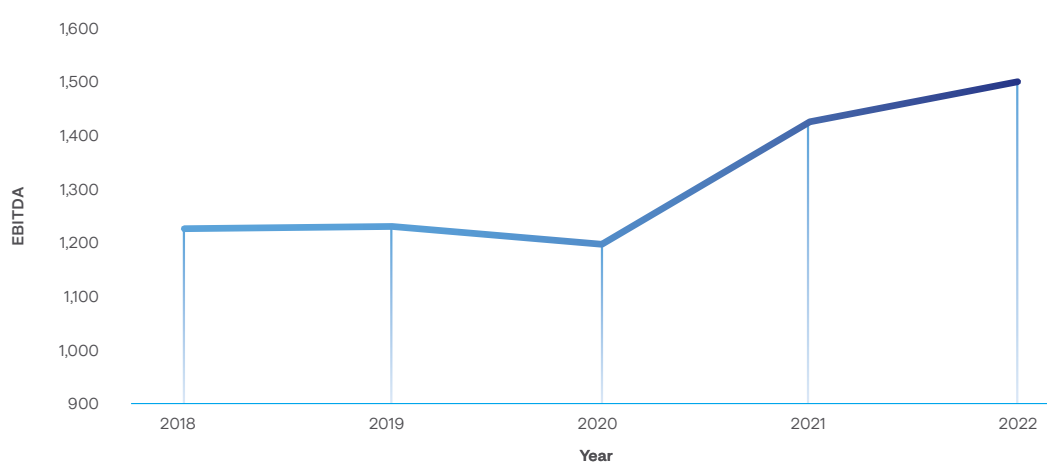
**Figure 5 Revenues, EBITDA and operating income trend from 2018 to 2022 of the A2A Group (in €M)**

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
2022	23,168	1,505	687

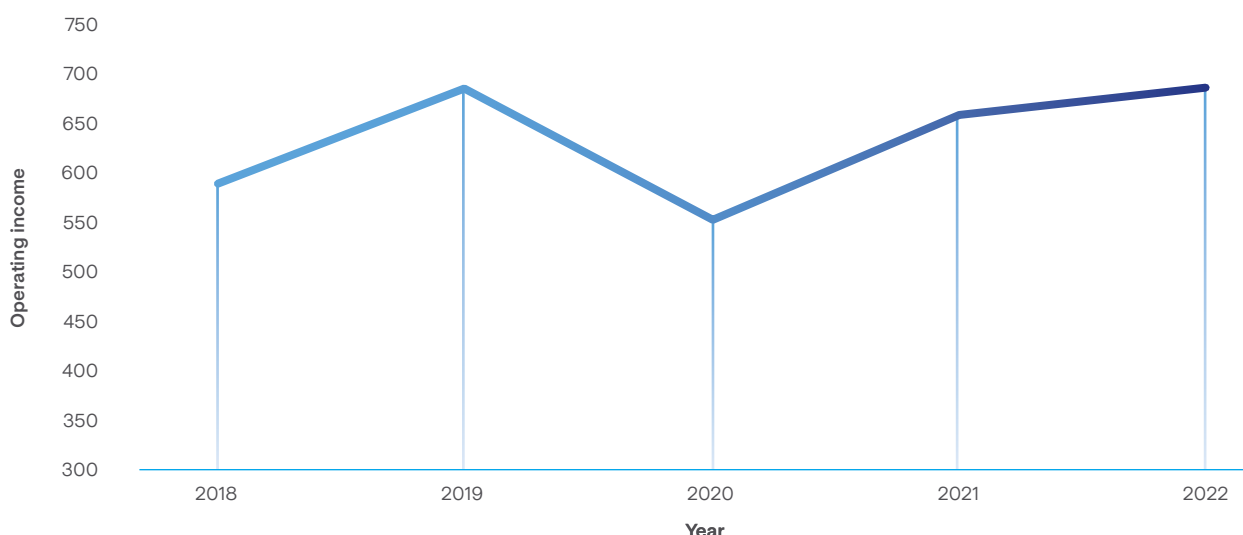
**Figure 6 Revenue trend from 2018 to 2022 of the A2A Group (in €M)**



**Figure 7 EBITDA trend from 2018 to 2022 of the A2A Group (in €M)**



**Figure 8 Operating income trend from 2018 to 2022 of the A2A Group (in €M)**



**Figure 9 Trend in the fixed remuneration of the Chief Executive Officer and the General Manager compared with the growth in the average fixed remuneration of Group employees (in €).**

The values indicated for the year 2020 refer to the annual remuneration package for Renato Mazzoncini, in office since May 13, 2020. For this year, 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.

Year	Fixed remuneration CEO+GM	Average fixed remuneration for employees	Fixed pay ratio
2019	700,000	36,568	19.14
2020	700,000	36,549	19.15
2021	700,000	36,538	19.16
2022	700,000	37,124	18.86

**Figure 10 Trend in global remuneration, understood as fixed plus variable paid, of the Chief Executive Officer and the General Manager, compared with the growth of global remuneration, understood as fixed plus nominal variable, of Group employees (in €).**

The values indicated for the year 2020 refer to the annual remuneration package for Renato Mazzoncini, in office since May 13, 2020. For this year, 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.

Year	Global remuneration (fixed + variable) CEO+GM	Global remuneration (fixed + variable) average employees	Overall pay ratio
2019	976,527	43,434	22.48
2020	980,665	43,244	22.68
2021	983,880	43,342	22.67
2022	998,506	44,299	22.54

The tables and graphs show stable remuneration for the Chief Executive Officer and General Manager in the period 2019-2022, to be compared with a significant growth trend in company results in terms of revenues, EBITDA and operating income, particularly marked in 2021 and 2022.

Furthermore, A2A's remuneration multiple, equal to 22.54 in 2022, is slightly down on the previous year (22.67) as a consequence of an increase in the average remuneration amount of employees and the stability of the salary components of the Chief Executive Officer and General Manager.

# Section One

## 2023 Remuneration Policy

### Section One - 2023 Remuneration Policy

### Section Two – Implementation of the 2022 Remuneration Policy

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

The 2023 Remuneration Policy, defined on the basis of market best practices and in compliance with the principles of fairness, competitiveness, meritocracy, sustainability and transparency, has the main aim to:

- Promoting the pursuit of corporate targets, sustainable success and the improvement of results in the medium to long term;
- Pursuing value creation for all Group stakeholders (shareholders, employees, suppliers, customers, local communities);
- Incentivising responsibilities, actions and behaviour towards predetermined, measurable goals consistent with the Group's Strategic Plan and Sustainability Plan;
- Attracting, retaining and motivating people with excellent professional qualities, fostering the commitment of key resources;
- Strengthening the sense of belonging and "teamwork" by company Management;
- Stimulating actions and behaviour in line with the Group's values, in compliance with the principles of inclusion and diversity, equal opportunities, meritocracy, fairness, as set out in the A2A Code of Ethics.

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, implementing prudent risk management and keeping in mind the economic and social consequences of the pandemic and the war in Ukraine.

The remuneration structure is, therefore, based on different components and takes the form of the definition of a remuneration package where fixed and variable parts of remuneration are balanced within a broad concept of performance, with targets aimed at generating profit and financial economic sustainability, together with positive impacts on all stakeholders (shareholders, employees, suppliers, customers, local communities).

A2A's variable remuneration model also aims to enhance and incentivise cohesion and collaboration between people and organizational structures through transversal *Key Performance Indicators* and by means of a transparent and shared allocation process, also encouraging - with specific targets - inclusion and equal opportunities.

The 2023 Remuneration Policy was approved by the Board of Directors on March 31, 2023, 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 Chief Executive Officer;
- 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:

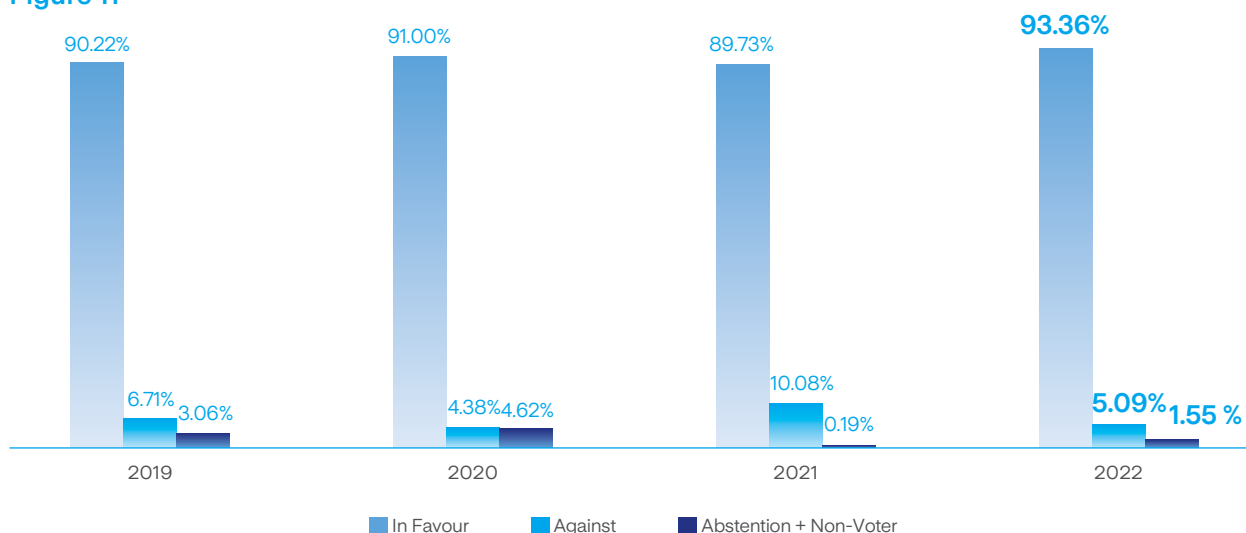
- Defines the remuneration of the Members of the Board of Directors as Directors. The remuneration is determined when Directors are appointed;
- Defines the remuneration of the Members of the Board of Statutory Auditors. The remuneration is determined when Auditors are appointed;
- Resolution in favour or against (binding vote) on Section One of the Report provided for in article 123-ter, paragraph 3 of the TUF 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 Section Two 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 28, 2022, the Shareholders' Meeting voted in favour of Section One of the 2022 Remuneration Report (binding vote).

The figure below illustrates the results of the advisory vote of the Shareholders' Meeting of 2019 (May 13, 2019), 2020 (May 13, 2020), 2021 (April 29, 2021) and April 28, 2022 on the Remuneration Report.

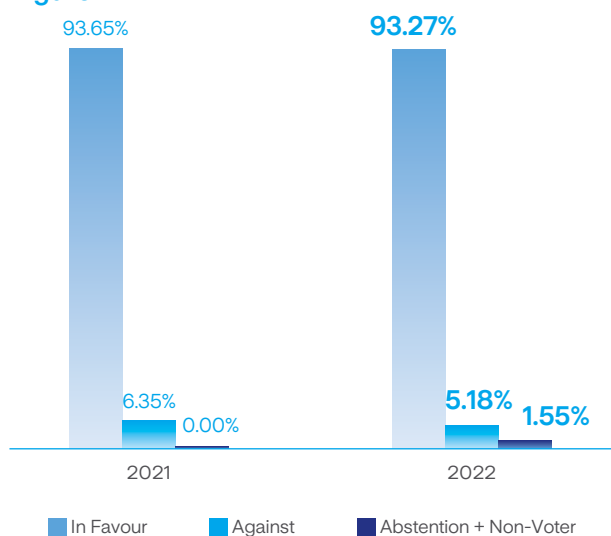
Figure 11



On April 28, 2022, the Shareholders' Meeting also voted in favour of Section Two of the 2022 Remuneration Report (non-binding vote).

The schedule below sets forth the results of the advisory vote at the April 28, 2022 Shareholders' Meeting on Section Two of the Remuneration Report.

Figure 12



A2A attaches fundamental importance to the evaluations expressed by each stakeholder and promotes opportunities for discussion with its shareholders, potential investors, analysts and other financial market players.

In this context, A2A analysed the voting results expressed by the shareholders on the Remuneration Policy and the voting indications expressed by the main proxy advisers, also holding several meetings to get an in-depth idea of the opinions and considerations of the latter, as well as to investigate some specific issues via open dialogue.

The dialogue undertaken provided the relevant structures (People & Transformation Department and Administration, Finance and Control Department) and the Remuneration and Appointments Committee with valuable feedback on the views of investors and - in general - the market on the Remuneration Policy applied.

## 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 articles of incorporation of the Group:

- establishes, after consulting with the Remuneration and Appointments Committee, and the Board of Statutory Auditors, the remuneration for the Directors vested with particular offices, powers or functions by the Articles of Association 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 based on the opinion of the Board of Statutory 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 Department and Administration, Finance and Control Department) prepares and implements:

- the short-term incentive system for the Chief Executive Officer and the General Manager;
- the long-term incentive system for all beneficiaries;

setting performance targets and approving their level of achievement.

### Remuneration and Appointments Committee

In order to promote an efficient information and consultation system that allows the Board of Directors to better evaluate certain matters within its competence, a Remuneration and Appointments Committee has been set up by the Board of Directors itself.

The Remuneration and Appointments Committee was established on May 14, 2020 and is composed as follows: Secondina Giulia Ravera (Independent Board Member pursuant to Art. 148 of the TUF and Corporate Governance) appointed as Chair, Stefania Bariatti (Independent Board Member pursuant to Art. 148 of the TUF and Corporate Governance) and Giovanni Comboni (Independent Board Member pursuant to Art. 148 of the TUF).

#### Responsibilities of the Committee

Within the scope of its powers, 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 target;
- 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 **target 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 duties. 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 Statutory Auditors, who may designate another Statutory Auditor to attend in their 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 Statutory Auditors.

During 2022, the Committee met 14 times for an average duration of 2 hours. 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 Statutory Auditors. In some cases, the meetings were also attended by other parties invited by the Committee Chair.

Detailed information on the Committee's operating mechanism is available in the Regulation published on the website [www.a2a.eu](http://www.a2a.eu) ([www.gruppoa2a.it/it/investitori/governance/comitati](http://www.gruppoa2a.it/it/investitori/governance/comitati)).

During 2022, the Committee was advised by Mercer, a leading counterparty specializing in executive compensation issues, which acted independently vis-à-vis the Company.

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 to the appointment and remuneration of the Members of the corporate bodies of investee companies**, paying particular attention to **gender balance in their composition** even in the absence of legal requirements;

#### January, March 2022

- Certification of the achievement of the **target assigned to the Chief Executive Officer/General Manager and Key Executives** (financial year 2021);
- Definition of the **model** and the **target of the Chief Executive Officer/General Manager and Key Executives** (financial year 2022);
- Preparation of the **Remuneration Report 2022** (Section I and II) to be submitted to the Board of Directors for approval with a view to subsequent submission to the Annual Shareholders' Meeting;
- Definition of a **long-term incentive plan** for top management;
- Market analysis on **non-competition agreements** and establishment thereof;

#### September 2022 - December 2022

- Update of the **scope of positions meeting the criteria of Key Executives**
- Beginning of certification of the achievement of the **target assigned to the Chief Executive Officer/General Manager and Key Executives** (financial year 2022);
- Beginning of definition of the **model** and the **target of the Chief Executive Officer/General Manager and Key Executives** (financial year 2022);

#### March 2022 - July 2022

- Evaluation of the criteria currently applied for **definition of Key Executives**;
- Definition of the **Policy for the emergency replacement of the General Manager**;
- Verification of the concrete application of the **remuneration policy on the management population, with an in-depth examination of the gender pay gap** and the results of the formal variable incentive system;
- Analysis of **shareholders' meeting voting** and **voting policies of institutional investors and proxy advisors**.

At least 10 meetings are planned for the financial year 2023.

Up until the date of publication of this Report, the activities carried out by the Committee, with the support of the People & Transformation Department, in relation only to remuneration, were as follows:

## Section One - 2023 Remuneration Policy

## Section Two – Implementation of the 2022 Remuneration Policy

Definition of the **proposals for the to the appointment and remuneration of the Members of the corporate bodies of investee companies**, paying particular attention to **gender balance in their composition** even in the absence of legal requirements;

### January, March 2023



- **Certification** of the achievement of the **targets assigned to the Chief Executive Officer/ General Manager and Key Executives** (financial year 2022);
- Definition of the **model** and the **target of the Chief Executive Officer/General Manager and Key Executives** (financial year 2023);
- Preparation of the **Remuneration Report 2023** (Section I and II) to be submitted to the Board of Directors for approval with a view to subsequent submission to the Annual Shareholders' Meeting;
- Finalisation of a **long-term incentive plan** for top management;
- Revision of the **guidelines for the definition of the remuneration** of the Members of the Corporate Bodies of investee companies with particular attention to jobs with specific roles (Chairman and Chief Executive Officer)

### Focus on Policy for the Emergency Replacement of the General Manager

In 2021, the Board of Directors had entrusted the Remuneration and Appointments Committee with the task of assisting it in preparing, updating and implementing the plan for the succession of executive directors - i.e. the General Manager - in cases of sudden need and to ensure the long-term sustainability and implementation of the approved multi-year strategic plans.

In view of the above, the Remuneration and Appointments Committee has defined - through a specific policy approved in May 2022 by the Board of Directors - the procedure to be followed for the management of the emergency succession of the General Manager for any eventuality of his/her early termination with respect to the ordinary term of office, i.e.:

- Resignation;
- Dismissal;
- Death;
- inability to perform the office for more than 3 months.

Following the approval of the policy for the emergency replacement of the General Manager, the Remuneration and Appointments Committee examined and approved the criteria for choosing the candidates (internal executives) making up the Talent Pool to draw from if necessary.

Specifically, the Committee analysed the assessments of various candidates based on the following indicators:

- Evaluation on critical competences for the role and on soft skills;
- 360° feedback indicator.

identifying a limited number of top executives to be included in the aforementioned Talent Pool and for whom to prepare and implement training initiatives and interventions that complete experiences and profiles, thus making them more prepared in the event that such a procedure needs to be invoked.

### Chair and Chief Executive Officer

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, which it is consulted by the Chair for.

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-specialist assistance on remuneration issues and for the elaboration of support analyses such as, by way of example but not limited to, monitoring of internal remuneration and market trends; studies and benchmarks of market practices and trends; analysis of remuneration levels in terms of internal equity, with particular attention to gender equality issues, as well as competitiveness with respect to markets selected as reference;
- the Administration, Finance and Control Division for the identification and exploitation 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. 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 which the Group has been committed to for some time, such as:

- alignment of everyone in the Group to the corporate targets;
- strong focus on female representation both in positions of responsibility and overall representation included in the targets of group managers;
- analysis and corrective action to ensure gender equity in pay;
- strengthening of welfare instruments;
- strict control of injuries, included in the targets of the group managers;
- raising awareness on health issues, through communications on the importance of prevention and training on healthy lifestyles.

In this context - and with specific reference to the first three points - two important actions will be taken in 2023:

- revision of the formalized variable incentive system (MBO), in a Bonus Pool logic, with extension to all managerial employees;
- in-depth analysis of the Gender Pay Gap.

### MBO in Bonus Pool



To support the implementation of the new 2021-30 business plan and in the context of the Group's People Strategy, a review of the Performance Management and MBO processes was initiated in 2022 with the aim of:

- **Steering** a2A people towards targets and results adding value to the organisation by developing skills and behaviours essential to the business strategy
- Making performance processes **scalable and adaptable** to A2A's different economic-financial and positioning conditions with incentive costs **sustainable** e **consistent with business target and results**
- Increasing the **attractiveness of the company** for high-value resources by creating a participative and inclusive environment, but, at the same time, capable of **recognising the value of individual and team performance**

The **highlights** of the new MBO model that will be applied for the first time in 2023 are:

- **Sustainability** of the economic bonus thanks to a very close link to the company's result (EBITDA)
- **Extension** of the MBO - in a two-year period - to the entire population of Middle Managers and to a part of the population of Clerical Staff (consistent with the Professional model)
- Strengthening the responsibility and **dialectics between Manager and Employee** who become the central actors in the process of defining target
- Greater focus on **target directly addressable** by the activities of MBO grantees
- Addition of a **mid-year review** which allows for a review of priorities in an increasingly changing context.

## in-depth analysis of the Gender Pay Gap



A2A strongly believes in the importance of gender pay equality at all levels and therefore provides - for all employees - remuneration offers consistent with market standards and internal practices, in order to ensure an adequate level of both external competitiveness and internal fairness.

For years A2A has been monitoring, with an increasing level of detail, all indicators relating to gender balance, both in terms of pay ("**gender pay gap**") and professional growth, paying particular attention to the career development of women (e.g. in internal management appointments).

In the specific area of the gender pay gap, even against a backdrop of insignificant women-men pay differences by qualification, further analyses were carried out in 2022 aimed at making comparisons not only at the qualification level but also of jobs with the same organisational complexity, neutralising phenomena of inequality associated with company seniority. This analysis of "**equal pay for equal work**" did not reveal a significant gender pay gap.

Nevertheless, in order to totally eliminate the pay gap by 2026, as per the strategic plan's objective, in 2023 A2A will be engaged in further refining the gap analysis at the individual level, in order to **isolate all legitimate differentiating factors** (e.g. performance or seniority in the role) **defining a budget and an annual pay review cycle dedicated to women** with remuneration below the average for men in comparable roles (in the absence of legitimate differentiating factors).

### b2. Principles of the Remuneration Policy

In the definition of the Remuneration Policy, the Board of Directors 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 calculation purposes, the remuneration practices of companies selected as reference panel were also analysed;
  - the remuneration of Key Executives was also defined and updated on the basis of the "complexity" of the activities managed, evaluated by applying an internationally recognized and certified methodology, and on the level of coverage of the organizational position assigned;
  - the fixed component of the remuneration, not subject to performance conditions for disbursement, is also such to compensate the activities managed even if the variable component, if applicable, is not disbursed.

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 targets and the Company's risk management policy, also taking account of the sector and the characteristics of the activity in which it operates;
- The short-term variable incentive system provides an access mechanism that cancels or significantly reduces the bonus payable in the event that Company performance is not in line with forecasts.
- the variable long-term incentive scheme, approved by the Board of Directors with postponed implementation, provides for an access mechanism that cancels the bonus payable if the Group's investment grade is not maintained;
- 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;
- there are upper limits for the variable component, both short- and long-term.

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;
- adherence to conduct in compliance with the Company's Code of Ethics and integrity of conduct are also verified and evaluate

## c. Detailed Structure of the Remuneration Policy

The structure of the Policy for the year 2023, described in detail below, reflects the remuneration determinations made by the Shareholders' Meeting in 2020, when the current management and supervisory bodies were appointed, and by the Board of Directors in the three-year period 2020-2022.

As above, the term of office has ended and the Shareholders' Meeting to be held on April 28, 2023 will be called to appoint the Board of Directors and the Board of Statutory Auditors for the three-year period 2023 - 2025, determining, according to the provisions of the Articles of Association of the Company, the annual remuneration due for the office of Director and Member of the Board of Statutory Auditors.

What is set forth in this document therefore illustrates the policy approved by the Board of Directors in office at the date of publication and will be implemented during the 2023 financial year by the new Board of Directors and the competent delegated bodies, in compliance with what will be decided by the Shareholders at the Shareholders' Meeting that is set to renew the management and supervisory bodies.

### 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 Articles of Association, 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 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 awarded to the Chair and the Members of the Related Parties Committee.

Moreover:

- 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 Key Executive voluntarily resigned from the Group to pursue new professional opportunities and - in October 2021 - a change to the Macro-Organization was approved;
- In April 2022 a second Key Executive voluntarily resigned from the Group to pursue new professional opportunities;
- In the second part of 2022:
  - an executive joined the Group to take over the organizational position covered by the Key Executive who resigned in April 2022;
  - the Remuneration and Appointments Committee, on a mandate from the Board of Directors, has investigated the practices of other listed companies in relation to the criteria used by them to select Key Executive roles, confirming the criteria used by A2A;
  - the Remuneration and Appointments Committee evaluated, leaving the decision to the Chief Executive Officer and the Board of Directors, whether to include two further organizational positions in the definition of Key Executives;
  - considering the strategic relevance of the two positions in the new Business Plan, the Chief Executive Officer confirmed their inclusion in the definition of Key Executives, obtaining approval from the Board of Directors.

As of the date of this Report, therefore, there are 8 positions (covered by 8 holders) attributable to Key Executives.

### c2. Remuneration of the Members of the Board of Directors, excluding the Chair and CEO

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

- the fixed gross annual 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 gross annual remuneration, approved by the Board of Directors, for participation in the Board Committees, is as indicated in the table below. Said remuneration is commensurate with the commitment required and there are therefore 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.

Figure 13

	Fixed annual remuneration (in €)
<b>Chair of Board Committees</b>	Audit and Risk Committee: <b>30,000</b> Appointments and Remuneration Committee: <b>20,000</b> ESG and Local Relations Committee: <b>20,000</b> Related Party Transactions Committee: <b>20,000</b>
<b>Member of Board Committees</b>	Audit and Risk Committee: <b>20,000</b> Appointments and Remuneration Committee: <b>19,000</b> ESG and Local Relations Committee: <b>19,000</b> Related Party Transactions Committee: <b>19,000</b>

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 analysed:

- 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/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 October 21, 2021, the Board of Directors appointed Lead Independent Director Secondina Giulia Ravera until the approval of the financial statements as at December 31, 2022, assigning her remuneration of 10,000 euro gross/year, already approved for this position.

### c3. Remuneration of the Chair of the Board of Directors

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

- fixed gross annual remuneration, approved by the Shareholders' Meeting, received as Member of the Board of Directors and equal to 80,000 euro/year;
- fixed gross annual remuneration, approved by the Board of Directors, for participation in the Board Committees, is as indicated in the previous table;
- fixed remuneration for the specific office of Chair for 250,000 euro gross/year, 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 Chief Executive Officer and General Manager

As above, during 2021 and 2022 A2A 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.

The analysis led - in 2022 - to the decision to introduce a long-term variable remuneration component aimed at:

- Aligning the interests of management with those of the shareholders and with A2A's strategic plan in full;
- Linking the remuneration of managers who play a key role in the achievement of A2A's targets to the economic results achieved by the Company and the achievement of specific pre-defined medium-long term targets;
- Rebalancing the remuneration pay-mix, bringing it more in line with market practices and providing the company with a remuneration tool useful for attracting and retaining key resources.
- Last year, the introduction of the LTI was discussed, approved by the Board of Directors and illustrated in the 2022 Remuneration Report, but - in view of the geopolitical context and its potential repercussions on the business - it was postponed until there is more clarity, subject to approval by the Shareholders' Meeting.

At the end of 2022 and in the first months of 2023, on a mandate from the Board of Directors, the Remuneration and Appointments Committee examined the subject again, carrying out further in-depth studies and making some minor changes to the previously approved scheme, which aim to mitigate some changes in this area.

The Remuneration and Appointments Committee then again submitted - at its meeting of March 16, 2023 - the proposal to introduce the long-term variable remuneration component to the Board of Directors.

The Board of Directors analysed the work carried out in detail, agreeing both on the advisability of introducing a variable long-term incentive system and on the construction of the system, and, following an in-depth discussion, approved the instrument with the characteristics of the proposal of the Remuneration and Appointments Committee, which are described below.

However, the Board of Directors deemed it appropriate to wait to implement it until conditions are more stable in the context of the energy market and supply, which is still currently experiencing excessively high price volatility due to external and hard-to-predict variables.

Indeed, throughout 2022, the energy climate has been increasingly volatile. The first months of 2023 have unfolded to hint at but not yet guarantee certainty, a possible stabilization in a "new normal" with higher prices than before the crisis, but with reduced volatility and much more linked to fundamental dynamics of supply/demand.

Therefore, both the remuneration package of the Chief Executive Officer-General Manager envisaged for 2023 in the absence of the long-term component, and any changed in its compositions to be applied at the time of the introduction of the long-term variable component are shown below.

In the absence of LTI, the remuneration package of the Chief Executive Officer-General Manager for 2023 will be, in harmony with previous years, composed as follows:

- fixed component:
  - fixed gross annual 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 gross/year, in addition to the amount above;
  - fixed remuneration received as General Manager equal to 500,000 euro gross/year;
- short-term variable component: a variable gross annual remuneration, linked to the achievement of short-term targets, assigned annually by the Board of Directors, with a value payable upon 100% achievement of the targets, equal to 266,667 euro;

As part of the approval of the long-term incentive component, with postponed application, the Board of Directors - with a view to containing the overall remuneration - also approved - for the Chief Executive Officer - General Manager - a revision of the amount of the short-term variable component. Specifically, upon the introduction of the long-term variable component, the short-term variable component will be reduced by 1/3 of the amount of the long-term variable component, with no change in fixed remuneration.

The pay-mix of the Chief Executive Officer - General Manager - in this context will vary as indicated below.

## Section One - 2023 Remuneration Policy

## Section Two – Implementation of the 2022 Remuneration Policy

Figura 14 Pay-mix 2023 (in the absence of LTI)

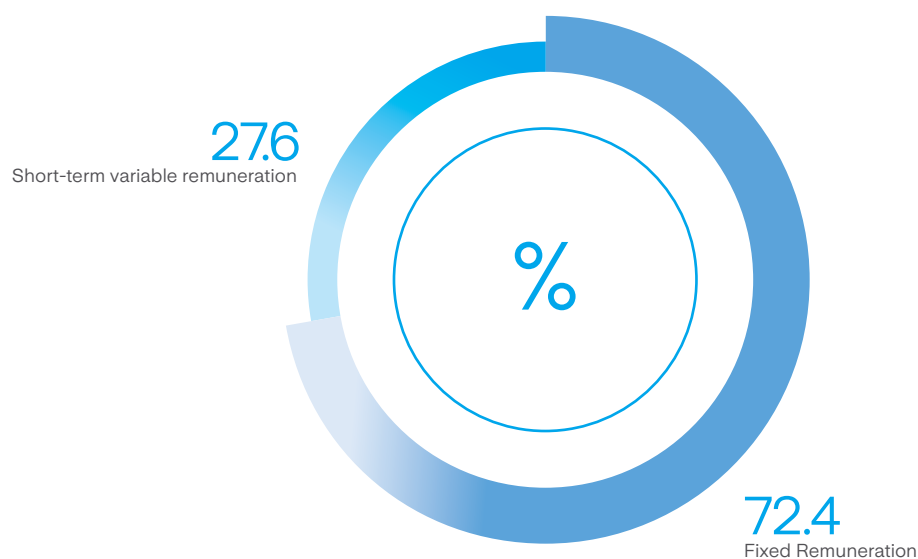
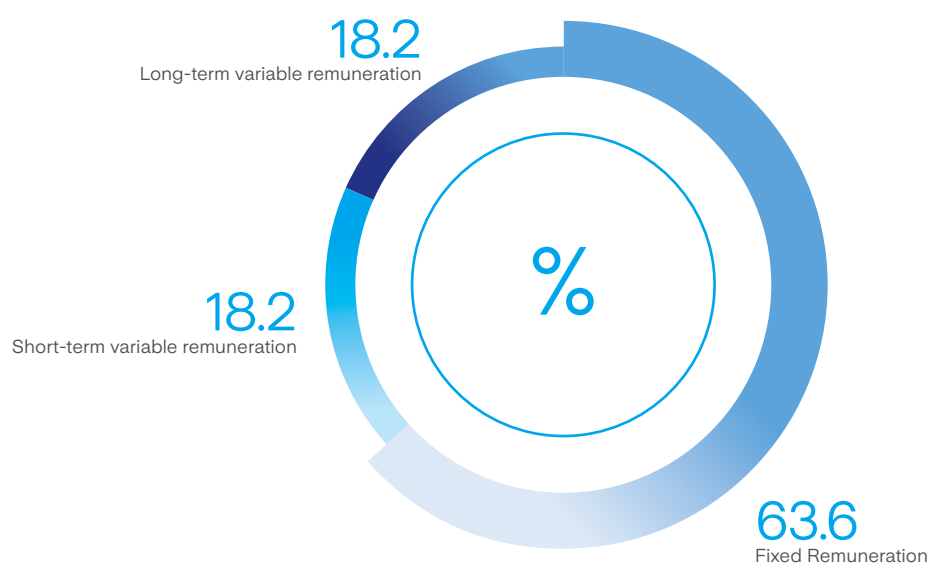


Figura 15 Pay-mix at the time of the introduction of the LTI

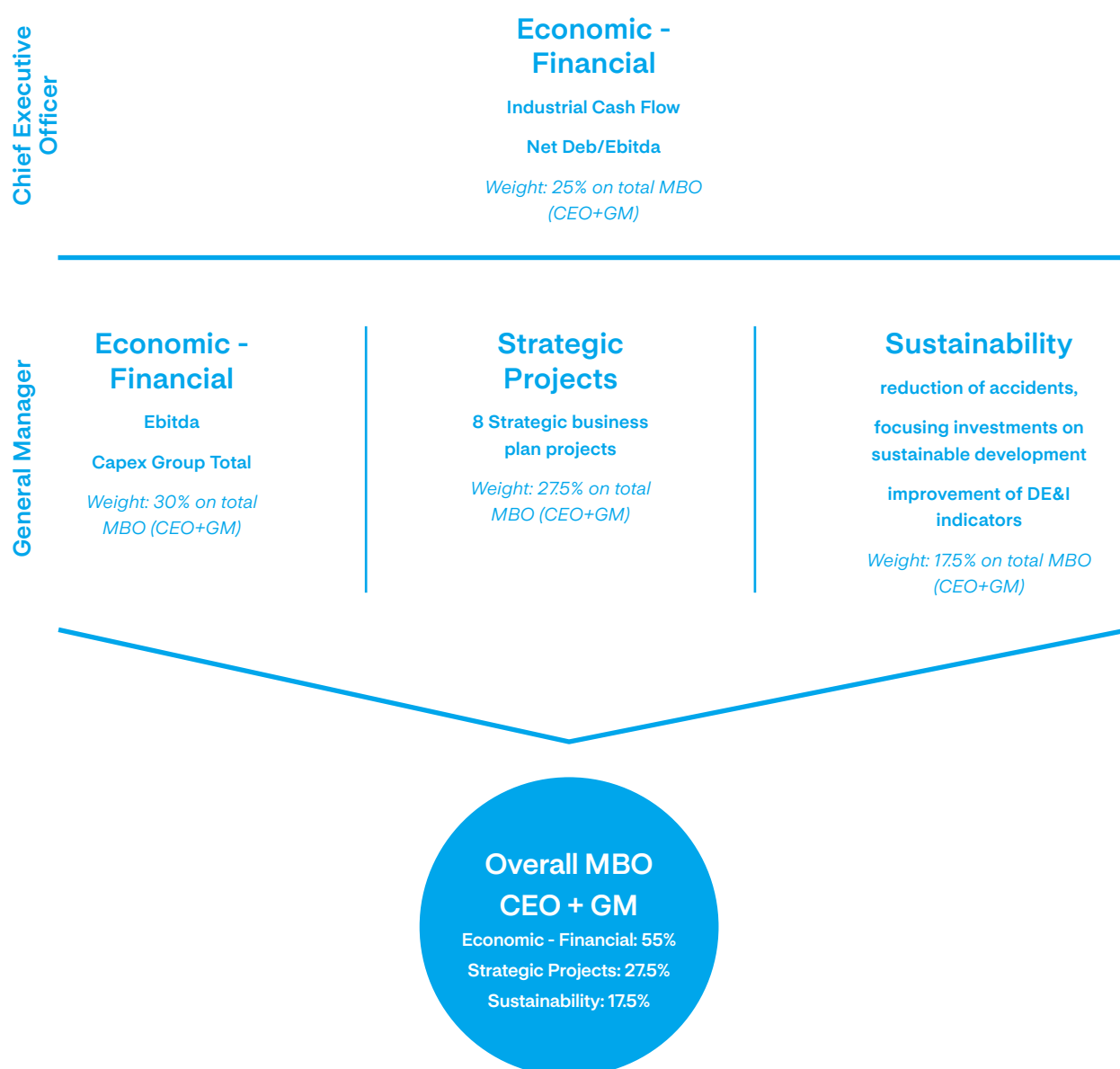


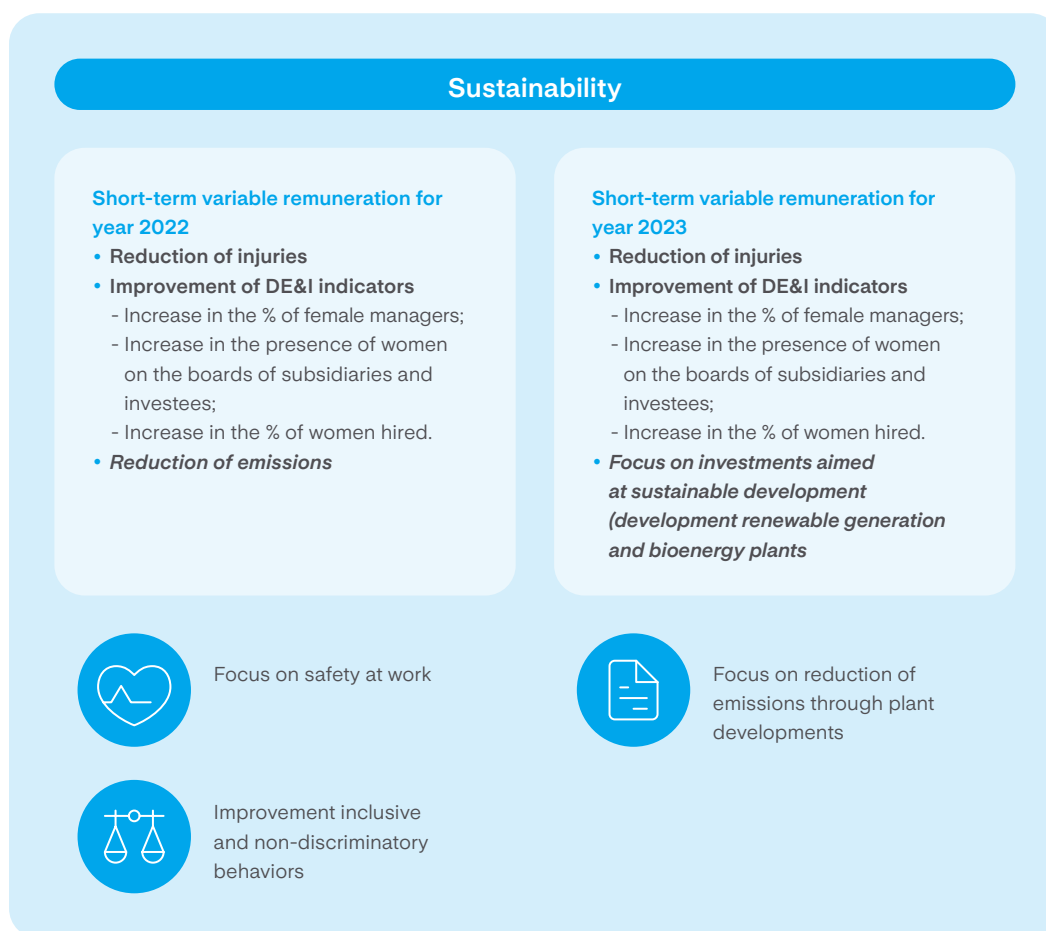
The variable short-term annual remuneration envisages:

- an access gate (Gate), based on EBITDA of the Company in 2023 and Capex at December 31, 2023, which reduces by 30% or annuls the remuneration payable if the Group's economic-financial performance is not in line with the budget of the year of reference;
- for the CEO, two objectives:
  - Industrial Cash Flow, set as target on the budget value for the reference year and with +/-7.5% fluctuation;
  - Net Debt/Ebitda, set, as target, at 3.0 with a range of 3.2 (corresponding to the minimum achievement of the target) and 2.8 (corresponding to the maximum achievement of the target);

- for the General Manager the following annual objectives:
  - Economic - Financial (weight 40%):
    - Ebitda, set as target on the budget value for the reference year and with +/-7.5% 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 37%): 8 projects of major strategic importance envisaged in the Business Plan, periodically monitored by the Board of Directors;
  - Sustainability (weight 23%): structured around the reduction of injuries, focus on investments aimed at sustainable development 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 subsidiaries and investees; increase in the % of women hired).

**Figure 16 Objectives System**





In addition to the Gate, it is required to achieve a minimum of the targets below which the remuneration shall not be paid; upon exceeding said minimum achievement, the remuneration may vary linearly:

- Chief Executive Officer: between 26.7% and 40% of the fixed component (equal to 200,000 k€) depending on the extent to which targets are met;
- General Manager: between 32% and 48% of the fixed component (equal to 500,000 k€) depending on the extent to which targets are met;

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.

The long-term variable remuneration, approved by the Board of Directors on March 16, 2023 and not yet implemented, provides for:

- a 3-year target measurement period (2023 - 2025) with disbursement, based on the achievement of targets, after the approval of the financial statements as at December 31, 2025 by the Shareholders' Meeting;
- a Gate that requires A2A's rating to be maintained as "Investment Grade" by at least one of the rating agencies and cancels the fee payable if this indicator is not maintained<sup>1</sup>;
- the targets indicated in the table below.

<sup>1</sup> The gate will not be taken into account where the loss of the Investment Grade is determined by the implementation of an extraordinary transaction approved by the Board of Directors.

Figure 17

35%

## Group EBITDA accumulated over the three years of the Plan

Minimum	Target	Maximum
92.5% * Target	Budget	107.5% * Target

35%

## Total Relative Shareholder Return

Minimum	Maximum
A2A's DH positioning <b>with respect to a panel of companies listed in Italy</b> comparable to A2A	
Minimum	Maximum
On median	On third quartile

30%

## ESG Composite KPIs

Minimum	Target	Maximum
70%	100%	130%

Figure 18

ESG Composite KPIs	Weight %
Renewable installed capacity	20%
Green energy sold	20%
Share of energy for DH from renewables and heat recovery	20%
Waste treated	10%
Biomethane produced	10%
% ESG finance (linked to green bonds)	10%
Ordered allocated to suppliers evaluated with integrated ESG scoring	10%

Moreover, for the Chief Executive Officer, 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.



Subsequently:

- in June 2021 a Key Executive voluntarily resigned from the Group to pursue new professional opportunities and - in October 2021 - a change to the Macro-Organization was approved;
- in April 2022 a second Key Executive voluntarily resigned from the Group to pursue new professional opportunities;
- in the second part of 2022:
  - an executive joined the Group to take over the organizational position covered by the Key Executive who resigned in April 2022;
  - the Remuneration and Appointments Committee, on a mandate from the Board of Directors, has investigated the practices of other listed companies in relation to the criteria used by them to select Key Executive roles, confirming the criteria<sup>2</sup> used by A2A;
  - the Remuneration and Appointments Committee evaluated, leaving the decision to the Chief Executive Officer and the Board of Directors, whether to include two further organizational positions in the definition of Key Executives;
  - considering the strategic relevance of the two positions in the new Business Plan, the Chief Executive Officer confirmed their inclusion in the definition of Key Executives, obtaining approval from the Board of Directors.

As of the date of this Report, therefore, there are 8 positions (covered by 8 holders) attributable to Key Executives.

- the remuneration package for Key Executives is composed as follows:
- fixed annual 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 35% of the fixed gross annual amount.

As mentioned above, on March 16, 2023, the Board of Directors, on the proposal of the Remuneration and Appointments Committee and having heard the favourable opinion of the Board of Statutory Auditors, approved the introduction of a long-term incentive plan, but postponed its introduction.

When the long-term variable component was introduced:

- the remuneration package of the Key Executives will be supplemented with variable compensation, linked to the achievement of long-term targets (2023 - 2025), assigned in 2023 by the Board of Directors, with a value payable upon 100% achievement of the targets, equal to 30% of the fixed component;
- similarly to what is envisaged for the Chief Executive Officer-General Manager, also for the Key Executives, the amount of the short-term variable component will have been reduced by a value equal to 1/3 of the amount of the long-term variable component, where the overall remuneration of the Key Executive is less than -15% from the median of the market considered as a reference for A2A.

The variable short-term annual remuneration envisages:

- a Gate, based on the Company's EBITDA in the 2023 financial year and Capex as at December 31, 2023 which reduces by 30% or cancels the payable remuneration if the Group's economic and financial performance is not in line with the budget for the reference year;
- the following annual targets:
  - 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%: reduction of injuries, focus on investments aimed at sustainable development 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 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.

The long-term variable remuneration, approved by the Board of Directors on March 16, 2023 and not yet implemented, provides for the same scheme illustrated for the Chief Executive Officer and General Manager.

<sup>2</sup> The criteria defined for the identification of positions with Key Responsibilities are: position in the organizational chart with first-line reporting to the Chief Executive Officer or General Manager; effectiveness of the powers assigned through specific delegations; concrete possibility of affecting the Group's current activity as well as its evolution and future prospects; fundamental role in the implementation of the Strategic Plan.

## 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 Statutory Auditors, the following gross annual remuneration:

- 130,000 euro for the Chair of the Board of Statutory 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 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 Statutory Auditors (including the Chair) shall receive as non-monetary benefits:

- insurance policy for 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 a thermal or hybrid engine, fuel card, if with a 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 Italian 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 relationship<sup>3</sup>.

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 2023, 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 contractual rules;
- for Key Executives the payment of an amount based on individual seniority and with an average value equal to 19 months of remuneration calculated on the basis of the criteria of article 2121 of the Italian Civil Code (minimum 10 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 employment relationship, of an amount up to 100% of a global annual salary (excluding any LTI component where applicable) in a single payment; or
- disbursement of an option (approximately 20% of the GAS 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.

<sup>3</sup> 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.

As of the date of this Report, 6 non-competition and non-solicitation agreements in the form of options are in place in favour of the Key Executives.

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 deferment).

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

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.

*Malus* and claw-back clauses are applicable to both the short-term and long-term variable component.

To date, there are no mechanisms for deferment in the payment of the fixed or variable component. Considering the size of the short-term variable remuneration, which was further reduced for certain Key Executives as part of the introduction of a short-term variable component, as well as the structure envisaged for the latter (closed plan with a three-year vesting period and payment only after the approval of the financial statements for the year 2025), the Company did not deem 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 benchmarks 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).

# Section Two

## Implementation of the 2022 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 (2022) for Members of the Management and Supervisory Bodies, the General Manager and Key Executives;
- an analytical illustration of remuneration paid in the previous year (2022) and a comparison of performance goals achieved with those expected.

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 statutory members and 2 alternate members;
- determined, in accordance with the provisions of the Company's Articles of Association, the annual remuneration payable for the office of Director (80,000 euro gross/year, pro-rata for the period of office), Chair of the Board of Statutory Auditors (130,000 euro gross/year, pro-rata for the period of office) and Member of the Board of Statutory Auditors (80,000 euro gross/year, pro-rata for the period of office).

Subsequently, on May 14, 2020, the Board of Directors appointed Renato Mazzoncini as Chief Executive Officer 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 spread of the Covid-19 pandemic and the subsequent serious economic crisis which did not allow for hypotheses regarding 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 - a remuneration of 250,000 euro gross/year and non-monetary benefits similar to those provided for general company executives;
- Renato Mazzoncini - for the position of Chief Executive Officer - a remuneration of 120,000 euro gross/year, with a variable amount of 80,000 euro gross/year upon achievement of the maximum level of targets.

At the same meeting on 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, decided on the gross annual remuneration to award the Chairs and Members of the internal Board Committees.

On May 13, 2021, the Board of Directors, in order 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 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;
- resolved, on the proposal of the Remuneration and Appointments Committee, 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 Risk Committee", Remuneration and Appointments Committee and "ESG and Local Relations Committee" and to assign the Chair and the Members of the Related Parties Committee the gross annual remuneration indicated in the table below.

Figure 19

Board Committees			
Control and Risks Committee	Remuneration and Appointments Committee	ESG and Local Relations Committee	Related Parties Committee
<ul style="list-style-type: none"> <li>• Chair: 30,000€ / year</li> <li>• Director: €20,000 / year</li> </ul>	<ul style="list-style-type: none"> <li>• Chair: €20,000 / year</li> <li>• Director: €19,000 / year</li> </ul>	<ul style="list-style-type: none"> <li>• Chair: €20,000 / year</li> <li>• Director: €19,000 / year</li> </ul>	<ul style="list-style-type: none"> <li>• Chair: €20,000 / year</li> <li>• Director: €19,000 / year</li> </ul>

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/year for this responsibility, in line with what was 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* (appointed on November 12, 2020), due to unforeseen 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, the appointment of whom had already been resolved on.

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 Statutory Auditors;
- General Manager;
- Key Executives.

All disclosures provided below are annexed, according to the standard established by Consob.

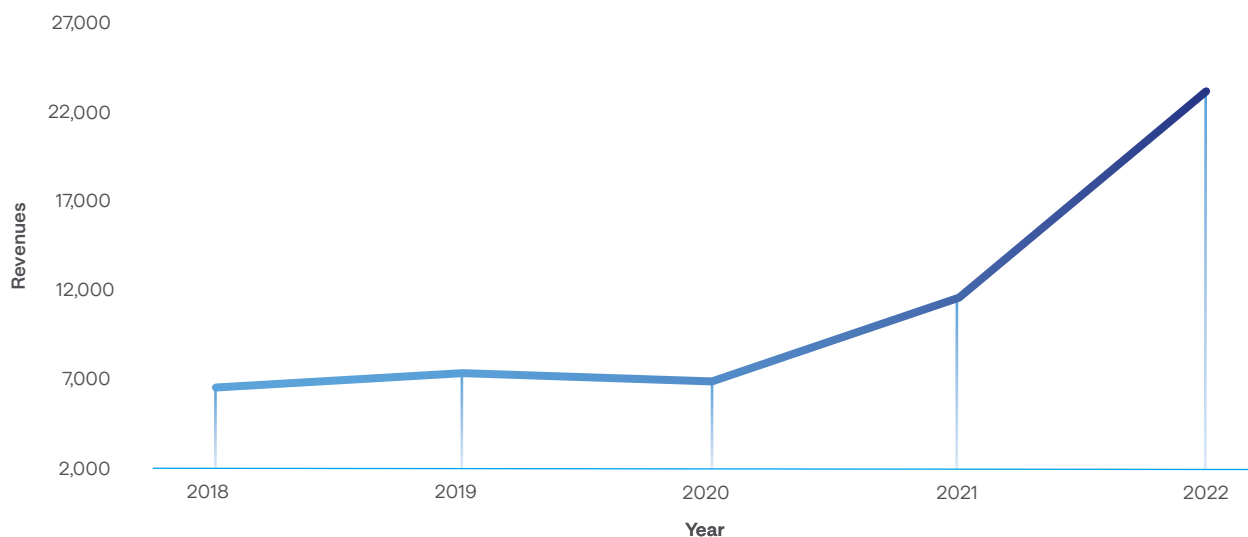
## Comparison of the annual change in remuneration, company results and employee remuneration

In accordance with the new Issuers’ Regulation - 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.

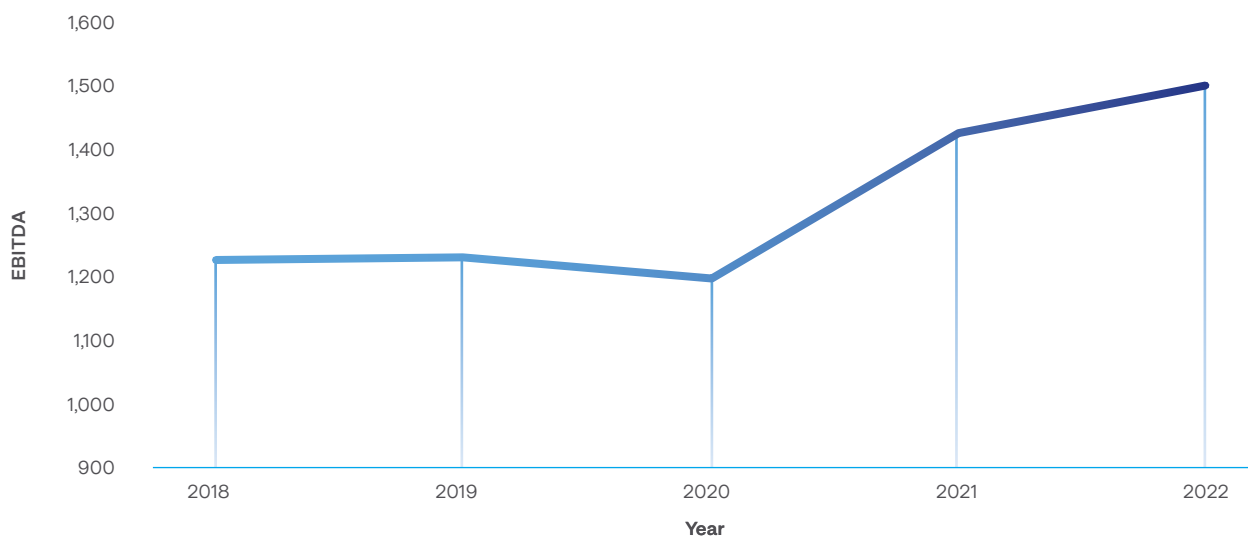
**Figure 20 Revenues, EBITDA and operating income trend from 2018 to 2022 of the A2A Group (in €M)**

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
2022	23,168	1,505	687

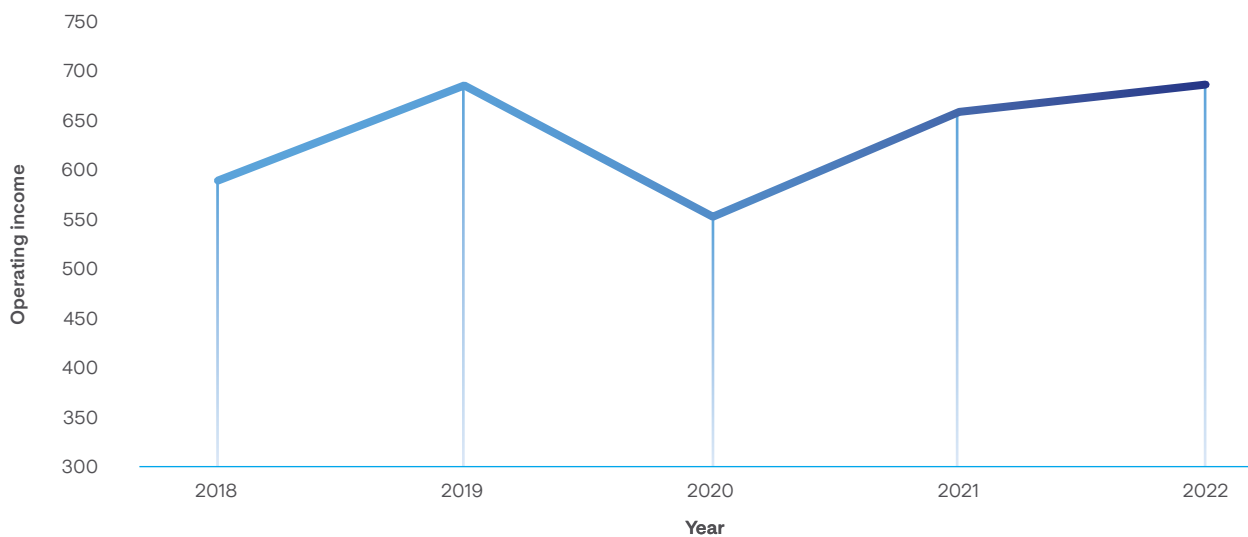
**Figure 21 Revenue trend from 2018 to 2022 of the A2A Group (in €M)**



**Figure 22 EBITDA trend from 2018 to 2022 of the A2A Group (in €M)**



**Figure 23 Operating income trend from 2018 to 2022 of the A2A Group (in €M)**



### Figure 24 Trend in the fixed remuneration of the Chief Executive Officer and the General Manager compared with the growth in the average fixed remuneration of Group employees (in €).

The values indicated for the year 2020 refer to the annual remuneration package for Renato Mazzoncini, in office since May 13, 2020. For this year, 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

Year	Fixed remuneration CEO+GM	Average fixed remuneration for employees	Fixed pay ratio
2019	700,000	36,568	19.14
2020	700,000	36,549	19.15
2021	700,000	36,538	19.16
2022	700,000	37,124	18.86

### Figure 25 Trend in global remuneration, understood as fixed plus variable paid, of the Chief Executive Officer and the General Manager, compared with the growth of global remuneration, understood as fixed plus nominal variable, of Group employees (in €).

The values indicated for the year 2020 refer to the annual remuneration package for Renato Mazzoncini, in office since May 13, 2020. For this year, 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.

Year	Global remuneration (fixed + variable) CEO+GM	Global remuneration (fixed + variable) average employees	Overall pay ratio
2019	976,527	43,434	22.48
2020	980,665	43,244	22.68
2021	983,880	43,342	22.67
2022	998,506	44,299	22.54

The tables and graphs show stable remuneration for the Chief Executive Officer and General Manager in the period 2019-2022, to be compared with a significant growth trend in company results in terms of revenues, EBITDA and operating income, particularly marked in 2021 and 2022.

Furthermore, A2A's remuneration multiple, equal to 22.54 in 2022, is slightly down on the previous year (22.67) as a consequence of an increase in the average remuneration amount of employees and the stability of the salary components of the Chief Executive Officer and General Manager.

### Figure 26 Changes in the remuneration of the main Company roles, Directors and Statutory Auditors in the period 2019-2022

Offices/Roles	2019	2020	2021	Variation 2022 vs 2021	2022
Chair of the Board of Directors	330,000	330,000	330,000	-	330,000
Directors	80,000	80,000	80,000	-	80,000
CEO and General Manager	976,527	980,665	983,880	+1.49%	998,506
Chair of the Board of Statutory Auditors	130,000	130,000	130,000	-	130,000
Statutory Auditors	80,000	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. They do not include grossed up expenses for the Chief Executive Officer.

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

In 2022, each Board Director was paid following amounts:

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

As regards the Chair of the Board of Directors, consistent with the disclosures provided in the 2022 Remuneration Report and in this document, considering the type of employment contract of a non-subordinate nature, contributions for pension purposes under the separate management system were paid and assumed exclusively by the Company.

Moreover:

- in line with what is indicated in the 2022 Remuneration Report, the Vice-Chair of the Board of Directors Giovanni Comboni was paid, in addition to the remuneration received as Director, a gross annual remuneration of 40,000 euro for his responsibility for *"Internal Audits"*;
- the Independent Director Secondina Ravera was paid an additional remuneration of 10,000 euro gross/year for the role of *"Lead Independent Director"*.

In accordance with the Articles of Association 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 (29/a) also indicates, for Directors, including the Chair, the value of non-monetary benefits recognized.

## Members of the Board of Statutory Auditors

Members of the Board of Statutory Auditors were paid the following remuneration, approved by the Shareholders' Meeting of May 13, 2020.

In particular, the following were paid:

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

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 Articles of Association of A2A, members of the Board of Statutory Auditors were paid an amount equal to the reimbursement of expenses actually incurred by virtue of their office.

The annexed table (29/b) also indicates, for the Chair and for the Statutory Auditors, the value of non-monetary benefits recognized.

## Chief Executive Officer

In 2022, the following amounts were paid to the Chief Executive Officer:

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

As stated in the 2022 Remuneration Report, variable annual remuneration included:

- for the entire population assigned variable incentives, including the Chief Executive Officer, an "access gate", based on EBITDA of the Company in 2022 and Capex at December 31, 2022, that reduced by 30% or annulled the remuneration payable in the event of the Group's economic and financial performance not in line with the budget for the reference year;
- for the Chief Executive Officer, two targets:
  - 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 3.0x with a range of 3.3x (corresponding to the minimum achievement of the target) and 2.7x (corresponding to the maximum achievement of the target)<sup>1</sup>.

For the Chief Executive Officer, as described in the 2022 Remuneration Report, in addition to the "access gate", it was also necessary 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 fixed emolument (200,000 euro) depending on the extent to which targets are achieved.

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.

At the beginning of 2023, 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 % achievement (equal to 120%), against which variable remuneration was paid to the Chief Executive Officer equal to 80,000 euro, as illustrated in the following table showing the performance targets achieved compared to those expected:

Figure 27

Indicator description	Weight	Performance scale			Achievement		
		Minimum	Target	Maximum	Actual	Achievement	Pay-Out
Industrial Cash Flow (2022 budget)	50%	122 M€	128 M€	134 M€	1,219 M€	120.0%	40,000
Net Debt / Ebitda (2022 budget)	50%	3.3	3.0	2.7	2.7	120.0%	40,000

The annexed table (29/a) also indicates, for the Chief Executive Officer, the value of non-monetary benefits recognized from the date of appointment of office.

## General Manager

In 2022, as fixed component, the General Manager was paid fixed remuneration of 500,000 euro/year.

As stated in the 2022 Remuneration Report, variable annual remuneration included:

- for the entire population assigned variable incentives, including the General Manager, an "access gate", based on EBITDA of the Company in 2022 and Capex at December 31, 2022, 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 goals:
  - Ebitda, set as target on the budget value for the reference year and with +/-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<sup>2</sup>;

<sup>1</sup> 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.

- Strategic Projects (weight 37%): 8 projects of major strategic importance envisaged in the Business Plan;
- Sustainability (weight 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 hired compared to the previous year);
  - Reducing accidents by keeping the accident frequency index value below the previous year's result, maintaining a severity index below a predefined threshold;

- Reduction of emissions expressed as a Carbon Neutral commitment to 2040.

At the beginning of 2023, 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 109.3%), against which variable remuneration was paid to the General Manager equal to 218,506 euro as illustrated in the following table showing the performance targets achieved compared to those expected.

Figure 28

Indicator description	Weight	Performance scale			Achievement		
		Minimum	Target	Maximum	Actual	Achievement	Pay-Out
Ebitda (2022 budget)*	20%	1,378 M€	1,451 M€	1,524 M€	1,505 M€	114.89%	45,955
Capex (2022 budget; maintenance and development)*	20%	1,058 M€	1,152 M€	1,245 M€	1,175 M€	105.01%	42,003
Strategic Projects	37%	4	6	8		101.47%	80,635
Reducing injuries	7.7%	20.01	18.98	18.02	18.72	105.42%	16,234
Reduction of emissions expressed as a Carbon Neutral commitment to 2040	7.7%	Target characterised by three steps that determine its achievement: - Step 1: Recognition of the current situation (minimum achievement) - Step 2: Definition of the long-term strategy (2030-2040) for zero emissions Scope 1 and 2 (target achievement) - Step 3: Definition of a Scope 3 emission mitigation commitment to 2040 (maximum achievement)				120%	18,480
DE&I	7.6%	Objective characterised by three KPIs. The number of KPIs achieved determines the level of achievement of the target: - Increase (compared to 2021) in the % of female managers; - Increase (compared to 2021) of the Boards of Directors of Group companies compliant with the Golfo/Mosca Law on A2A appointments; - Increase in % of female hires (white collars; compared to 2021)				100%	15,200

## 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.

Subsequently:

- in June 2021 a Key Executive voluntarily resigned from the Group to pursue new professional opportunities and - in October 2021 - a change to the Macro-Organization was approved;
- in April 2022 a second Key Executive ("Chief Finance Officer") voluntarily resigned from the Group to pursue new professional opportunities;

- in the second part of 2022:
  - an executive joined the Group as *Chief Finance Officer*;
  - the Remuneration and Appointments Committee, on a mandate from the Board of Directors, has investigated the practices of other listed companies in relation to the criteria used by them to select Key Executive roles, confirming the criteria<sup>3</sup> used by A2A;
  - the Remuneration and Appointments Committee evaluated, leaving the decision to the Chief Executive Officer and the Board of Directors, whether to include two further organizational positions in the definition of Key Executives;

<sup>3</sup> The criteria defined for the identification of positions with Key Responsibilities are: position in the organizational chart with first-line reporting to the Chief Executive Officer or General Manager; effectiveness of the powers assigned through specific delegations; concrete possibility of affecting the Group's current activity as well as its evolution and future prospects; fundamental role in the implementation of the Strategic Plan.

- considering the strategic relevance of the two positions in the new Business Plan, the Chief Executive Officer confirmed their inclusion in the definition of Key Executives, obtaining approval from the Board of Directors.

As of the date of this Report, therefore, there are 8 positions (covered by 8 holders) attributable to Key Executives.

The hiring of the Chief Finance Officer indicated above also required the activation of a process to waive the 2022 Remuneration Policy.

Specifically, to fill the vacant position of Chief Finance Officer as soon as possible, both for proper business management and to reassure shareholders at an unprecedented time made complex by well-known geopolitical dynamics and their repercussions on the energy market, the Company decided to grant the Executive a contractually-agreed seniority of 2 years and to grant an amount for initial accommodation and relocation in the form of a one-off payment.

The aforementioned waiver was - in accordance with the provisions of the 2022 Remuneration Policy - approved by the Board of Directors, upon the proposal of the Remuneration and Appointments Committee, subject to the favourable opinion of the Related Parties Committee and after consulting the Board of Statutory Auditors, thoroughly assessing the balance between the economic impact of the waiver and the corporate benefit, as well as comparing - also through opinions of executive search firms - market practices.

In 2022, the following were paid to Key Executives - including the pro-rata of the months of 2022 in which the individual holders were Key Executives:

- as a fixed component, a total of 1,672,180 euro;
- as a variable component, a total of 574,345 euro, against an average achievement of the objectives assigned equal to 106.2%.

A total of 94,416 euro was also disbursed as an option for a non-competition and non-solicitation agreement.



## Figure 29 Remuneration paid to members of administration and supervisory bodies, general managers and other key executives

### Figure 29/a - Remuneration to the Board of Directors (amounts in €)

(A)	(B)	(C)		(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Surname Name	Position	Period in office		End of term	Fixed remuneration	Remuneration for participation in Committees (**)	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	TOTAL	Fair value of equity remuneration of remuneration equity	Indemnity for end of term or termination of employment office or termination of employment
		from	to				Bonuses and other incentives	Profit sharing					
Patuano Marco Emilio Angelo	Chair A2A S.p.A.	01.01.2022	31.12.2022	31.12.2022	273,345 (*)				19,757		393,102		
	Director A2A S.p.A.	01.01.2022	31.12.2022	31.12.2022	80,000	20,000 (1)							
Comboni Giovanni	Vice Chair A2A S.p.A.	01.01.2022	31.12.2022	31.12.2022	-								
	Director A2A S.p.A.	01.01.2022	31.12.2022	31.12.2022	80,000	19,000 (2)			308		139,308		
	Responsibility for the Internal Audit function of A2A S.p.A.	01.01.2022	31.12.2022	-	40,000								
Bariatti Stefania	Director A2A S.p.A.	01.01.2022	31.12.2022	31.12.2022	80,000	39,000 (3)			308		119,308		
Mazzoncini Renato	CEO A2A S.p.A.	01.01.2022	31.12.2022	31.12.2022	120,000		80,000				280,000		
	Director A2A S.p.A.	01.01.2022	31.12.2022	31.12.2022	80,000								
Cariello Vincenzo	Director A2A S.p.A.	01.01.2022	31.12.2022	31.12.2022	80,000	38,000 (4)			308		118,308		
D'Andrea Federico Maurizio	Director A2A S.p.A.	01.01.2022	31.12.2022	31.12.2022	80,000	20,000 (5)			308	60,000 (***)	160,308		
De Paoli Luigi	Director A2A S.p.A.	01.01.2022	31.12.2022	31.12.2022	80,000	30,000 (6)			308		110,308		
Giusti Gaudiana	Director A2A S.p.A.	01.01.2022	31.12.2022	31.12.2022	80,000	20,000 (7)			308		100,308		
Lavini Fabio	Director A2A S.p.A.	01.01.2022	31.12.2022	31.12.2022	80,000	19,000 (8)			308		99,308		
Perrotti Christine	Director A2A S.p.A.	01.01.2022	31.12.2022	31.12.2022	80,000	39,000 (9)			308		119,308		
Ravera Secondina Giulia	Director A2A S.p.A.	01.01.2022	31.12.2022	31.12.2022	80,000	20,000 (10)			308		110,308		
	Lead Independent Director	01.01.2022	31.12.2022	31.12.2022	10,000								
Speranza Maria Grazia	Director A2A S.p.A.	01.01.2022	31.12.2022	31.12.2022	80,000	19,000 (11)			308		99,308		
(I) Remuneration from company preparing the Financial Statements					1,403,345	283,000	80,000		22,837		1,789,182		
(II) Remuneration from Subsidiaries and Associates										60,000	60,000		
(III) TOTAL					1,403,345	283,000	80,000		22,837	60,000	1,849,182		

(\*) 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 (expiry 12/31/2023)

(**) Breakdown of 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)	19,000
RELATED PARTIES COMMITTEE (Chair)	20,000
(4) Of which:	
ESG AND TERRITORY RELATIONS COMMITTEE (Member)	19,000
RELATED PARTIES COMMITTEE (Member)	19,000
(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)	20,000
RELATED PARTIES COMMITTEE (Member)	19,000
(10) Of which:	
REMUNERATION AND APPOINTMENTS COMMITTEE (Chair)	20,000
(11) Of which:	
ESG AND TERRITORY RELATIONS COMMITTEE (Member)	19,000

## Figure 29 Remuneration paid to members of administration and supervisory bodies, general managers and other key executives

### Figure 29/b - Remuneration to the Board of Statutory Auditors (amounts in €)

(A)	(B)	(C)		(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Surname Name	Position	Period in office		End of term	Fixed remuneration	Remuneration for participation in Committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	TOTAL	Fair value of equity remuneration of remuneration equity	Indemnity for end of term or termination of employment office or termination of employment
		from	to				Bonuses and other incentives	Profit sharing					
Sarubbi Giacinto Gaetano	Chair	01.01.2022	31.12.2022	31.12.2022	130,000				390		130,390		
Lombardi Maurizio Leonardo	Standing Auditor	01.01.2022	31.12.2022	31.12.2022	80,000				308		80,308		
Segala Chiara	Standing Auditor	01.01.2022	31.12.2022	31.12.2022	80,000				308		80,308		
(I) Remuneration from company preparing the Financial Statements					290,000				1,006		291,006		
(II) Remuneration from Subsidiaries and Associates													
(III) TOTAL					290,000				1,006		291,006		

### Figure 29/c - Remuneration to the General Manager (amounts in €)

(A)	(B)	(C)		(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Surname Name	Position	Period in office		End of term	Fixed remuneration	Remuneration for participation in Committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	TOTAL	Fair value of equity remuneration of remuneration equity	Indemnity for end of term or termination of employment office or termination of employment
		from	to				Bonuses and other incentives	Profit sharing					
Renato Mazzoncini	General Manager	01.01.2021	31.12.2021		500,000		218,506		17,155		735,661		
(I) Remuneration from company preparing the Financial Statements					500,000		218,506		17,155		735,661		
(II) Remuneration from Subsidiaries and Associates													
(III) TOTAL					500,000		218,506		17,155		735,661		

### Figure 29/c - Remuneration to Key Executives (amounts in €)

(A)	(B)	(C)		(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Surname Name	Position	Period in office		End of term	Fixed remuneration	Remuneration for participation in Committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	TOTAL	Fair value of equity remuneration of remuneration equity	Indemnity for end of term or termination of employment office or termination of employment
		from	to				Bonuses and other incentives	Profit sharing					
Key Executives (8 holders at 31/12/2022)					1,672,180		574,345		83,249	209,416	2,539,190		



**Figure 30 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	Position	Plan	Bonuses in the year			Bonuses in previous years			Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / Paid	Deferred	Deferral period	No longer payable	Payable / Paid	Deferred	
Mazzoncini Renato	Chief Executive Officer								
(I) Remuneration from company preparing the Financial Statements		STI plan 2022	80,000	Resolution 03/16/2023					
(II) Remuneration from Subsidiaries and Associates									
<b>(III) TOTAL</b>			<b>80,000</b>						
Mazzoncini Renato	General Manager								
(I) Remuneration from company preparing the Financial Statements		STI plan 2022	218,506	Resolution 03/16/2023					
(II) Remuneration from Subsidiaries and Associates									
<b>(III) TOTAL</b>			<b>218,506</b>						
Key Executives -									
(I) Remuneration from company preparing the Financial Statements		STI plan 2022	574,345	Resolution 03/16/2023					
(II) Remuneration from Subsidiaries and Associates									
<b>(III) TOTAL</b>			<b>574,345</b>						
<b>TOTAL</b>			<b>872,851</b>						

## Figure 31 Scheme related to information on the shareholdings of members of the Management and Supervisory bodies, General Managers and other Key Executives.

The following tables outline the shareholdings of all parties that in 2022 held, even for a fraction of the year, offices as members of the Management and Supervisory Bodies, General Manager or Key Executive.

### Figure 31/1 Shareholdings of members of the Management and Supervisory Bodies and General Managers

Surname and name	Position	Investee company	Number of shares held at the end of 2021	Number of shares purchased in 2022	Number of shares sold in 2022	Number of shares held at the end of 2022 (or at the date of termination of office if before)
Renato Mazzoncini	Chief Executive Officer and General Manager	A2A S.p.A.	150,000	-	-	150,000
Cristina Guerra	Spouse of Renato Mazzoncini	A2A S.p.A.	550	-	-	550

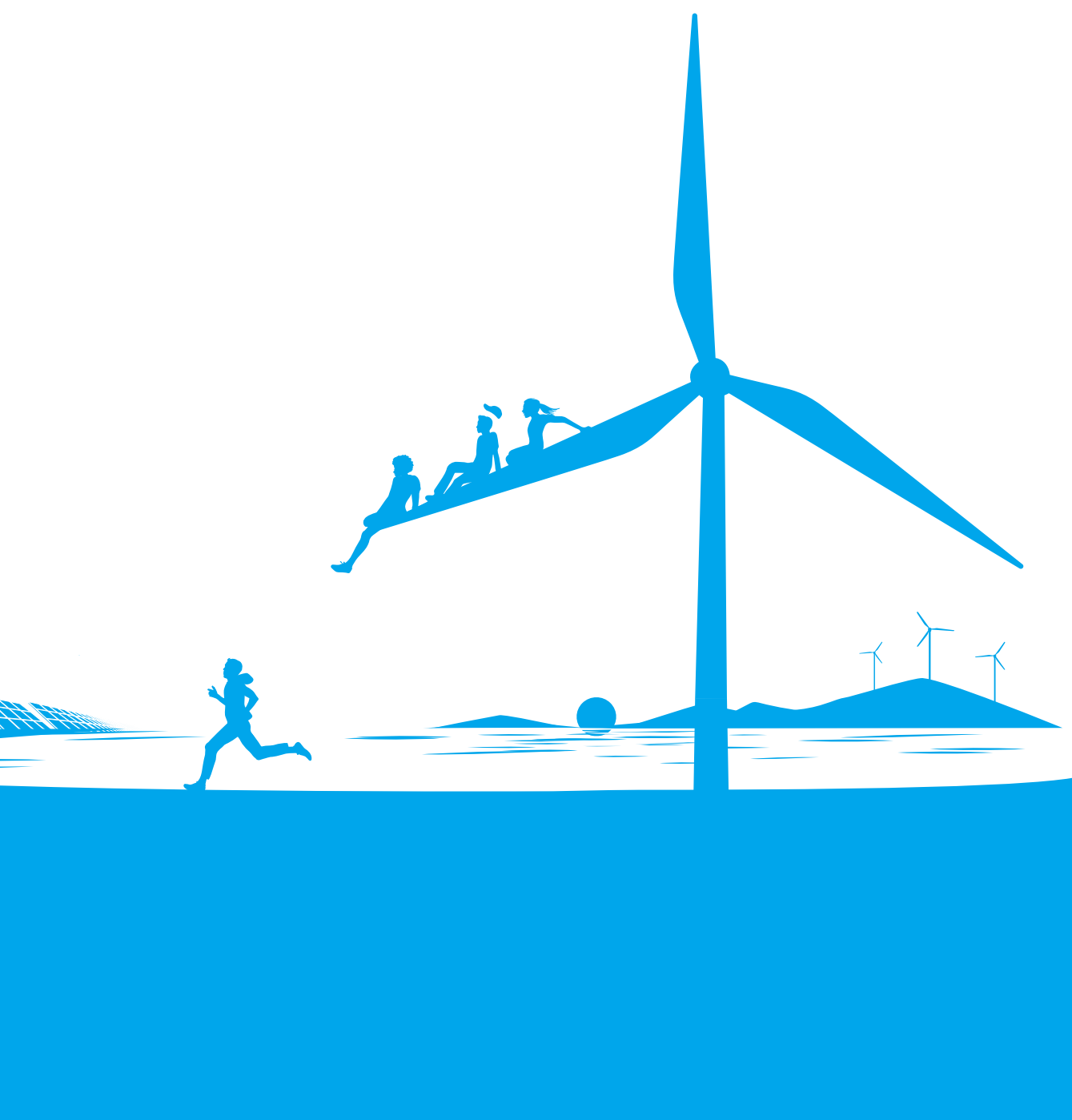
### Figure 31/2 Shareholdings of other Key Executives

Number of key executives	Investee company	Number of shares held at the end of 2021	Number of shares purchased in 2022	Number of shares sold in 2022	Number of shares held at the end of 2022 (or at the date of termination of office if before)
8 holders	A2A S.p.A.	20,000 <sup>1</sup>	15,000	-	36,000 <sup>1</sup>

<sup>1</sup> Before joining A2A, the Key Executive who joined the Group in 2022 already owned 1,000 shares which they kept in 2022. These 1,000 shares were not counted in the "Number of shares held at the end of 2021" as the Key Executive was not yet in office on that date. Instead, they were counted in the "Number of shares held at the end of 2022".



**Section Two –  
Implementation  
of the 2022  
Remuneration  
Policy**





## A2A S.p.A.

### **Registered Office**

Via Lamarmora, 230 25124 Brescia  
T [+39] 030 3553.1 F [+39] 030 3553.204

### **Head office – Management and Administration**

Corso di Porta Vittoria, 4 - 20122 Milano  
Tel. +39 02 7720.1 - Fax +39 02 7720.3920

### **Created by:**

People & Transformation  
T [+39] 02 77201 - people&transformation@a2a.eu - gruppoa2a.it

### **Key concept:**

SERVICEPLAN

### **Graphic design and layout:**

MERCURIO GP

### **Printing:**

AGEMA S.p.A.

Milan, March 2023

