

**REPORT ON THE REMUNERATION POLICY
AND ON THE REMUNERATION
PAID
2022**

*In implementation of Art. 123-ter of Legislative Decree 58/1998 concerning transparency
of the Remuneration of Directors of Listed Companies*

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Letter by the Chairperson of the Appointments and Remuneration Committee

Dear Shareholders,

In my capacity as Chairperson of the Appointments and Remuneration Committee, I am pleased to present to you, in agreement with the Directors Gabriella Chiellino, Giovanni Giani and Liliana Godino, the Remuneration Policy of the Acea Group for 2022.

The objective of the present Remuneration Policy, as well as being that of establishing an instrument for achieving the medium- and long-term strategic objectives generating value for the Shareholders, aims also to promote the engagement of all the employees in supporting the achievement of the corporate objectives, through promoting the criteria of fairness and sustainability.

The positive results achieved by the Group in 2021, which underline the solidity of the management of each business, are due also to effective integration of the sustainability policies in corporate governance. The Group, in fact, is confirmed to be among the companies with the best overall performance on sustainability issues, according also to what is certified by the Gaia Rating Agency.

In defining the Remuneration Policy for 2022, illustrated in the first section of the present document, taking into account the broad agreement obtained during the 2021 Shareholders' Meeting, the framework of the previous remuneration policy was confirmed. The main elements and operating mechanisms of the incentive systems are thus maintained, and their architecture was found to be adequate for the Company's remuneration strategy, aligned with the best market practices and with the regulatory requirements, considering also the shareholders' interest in strengthening the link between value creation for the Group and satisfaction of the personnel involved in the incentive systems.

Therefore, also for 2022 the variable incentive systems, both short- and long-term, maintain a composite sustainability indicator with a weight of 10%, which covers all the strategic areas contributing in this way to ensuring achievement of the business objectives as provided for in the Acea Group's Strategic Plan and in line with the expectations of a market increasingly attentive and demanding on these issues. Finally, the Remuneration Policy proposed for 2022, without ever losing sight of the principle of rigour which characterises its definition, confirms, in the logic of pay for performance, the consistency between the bonuses and the value generated net of the risks, promoting in any case a balanced pay mix.

The introduction to the document is given in the "Executive Summary", which briefly illustrates the characteristics of the new Remuneration Policy and the main results achieved by the Group, highlighting the pillars of the '20-'24 strategic plan.

The document is in two Sections: i) the "Report on the Remuneration Policy 2022", which describes the main principles behind our approach to the remuneration and incentives systems in 2022; ii) the "Annual Report on the Remuneration paid in 2021", which provides the details of the remuneration paid for the year 2021 to the members of the Board of Directors, the Chief Executive Officer, the Board of Statutory Auditors and the Executives with Strategic Responsibilities.

I trust that this Report submitted for your examination can once again bear witness to the reasons behind the structure of the mechanisms of the remuneration policy and also the respect of the logics of

transparency required by the laws in force and by which the Group is bound. On behalf of myself and the other Directors, I thank you in advance for your acceptance of and support for the policies defined for 2022.

*Massimiliano Capece Minutolo Del Sasso
Chairperson of the Appointments and
Remuneration Committee*

Introduction

This document describes the Remuneration Policy adopted by the Acea Group for 2022 (“**Remuneration Policy**”). This policy, based on the principles and recommendations contained in article 5 of the Corporate Governance Code for Listed Companies approved by the Corporate Governance Committee in January 2020 and in effect from 1 January 2021, defines the criteria and guidelines for the remuneration of the members of the Board of Directors, including the executive Directors and those invested with specific powers, and the Executives with Strategic Responsibilities¹, and also the members of the Company’s Board of Statutory Auditors, within the timeframe of the current financial year.

The drafting of this remuneration report (“**Report on the remuneration policy and the remuneration paid**”) takes into account both the regulatory provisions adopted by Consob on transparency and communication and the provisions of art. 123-ter of Italian Legislative Decree 58/98 (hereinafter also “**CLF**” - Consolidated Law on Finance).

This Remuneration Report is therefore divided into two separate Sections:

I. the first Section illustrates in detail:

- a) the Acea S.p.A. (“**Acea**”) policy on the remuneration of the Directors applicable for 2022, including the Executive directors and the Directors with specific duties, the Executives with Strategic Responsibilities and the Board of Auditors;
- b) the procedures used for the adoption and implementation of the policy.

II. the second Section, individually for the members of the Administration and Control Bodies and in aggregate terms for the Executives with strategic responsibilities:

- a) provides a description of each of the items comprising their remuneration, including the treatment provided in the event of resignation or termination of contract;
- b) accounts for the remuneration paid out during the 2021 financial year for any reason and in any form by the Company;

b-bis) illustrates how the Company has considered the vote expressed the previous year regarding Section II of the report.

In compliance with the current regulatory framework (art. 123-ter of the CLF), amended at a primary level by Italian Legislative Decree 49/2019, containing the provisions required for the implementation of EU Directive 2017/828 of the European Parliament and Council of 17 May 2017 (Shareholders’ Rights Directive II or “SHRD II”), which modifies Directive 2007/36/EC (Shareholders’ Rights Directive or “SHRD”), the “say on pay” system has been maintained to foster and promote the long-term commitment of shareholders. Furthermore, the content of this document applies to senior Group executives, the members of the Administration and Control bodies and other Executives with Strategic Responsibilities,

¹“Executives with Strategic Responsibilities” are the senior executives identified and proposed by the Appointments and Remuneration Committee to the Board of Directors who have powers and responsibilities in the planning, management and control of the activities of the Company and the Group.

On the basis of criteria and guidelines which take into account the position held within the organizational structure, autonomy and decision-making powers in the choices made, these Executives with Strategic Responsibilities have been identified taking into account, for each of them, their level of responsibility, role filled and associated remuneration level.

In view of the above, at the time of writing, in addition to the Chief Executive Officer, the following roles are considered Executives with Strategic Responsibilities: 1) Chief Operating Officer 2) Administration, Finance and Control.

in compliance with Annex 3A of the implementing regulation of the CLF adopted by Consob with Resolution no. 11971 of 14 May 1999 (so-called “Issuer Regulations”) and amended by Consob with Resolution no. 21623 of 11 December 2020.

The Acea Remuneration Report pursuant to art. 123-ter, paragraph 2 of the CLF was defined and approved by the Board of Directors, on the proposal of the Appointments and Remuneration Committee, at its meeting on 14 March 2022.

The First and Second Sections will be submitted to the Shareholders’ Meeting to be held on 27 April 2022.

Executive summary

The aim of the Acea Group remuneration policy is to attract, motivate and retain individuals who, due to their technical and managerial skills and their differing profiles also in terms of gender and experience, are a key factor to the success of the Group.

The remuneration policy reflects and supports the strategy and our values: being a Group with a approach to creating value and sustainability of results, maintaining a strong attraction and commitment towards all the stakeholders.

The aim of the following section is to provide a brief overview of the contents of the Remuneration Policy applicable for 2022, also referring to the figures concerning the voting by the shareholders' meeting for the approval of the most recent Remuneration Reports, the remuneration multiple and also highlighting how the policy defined is aimed at mitigating the various risk factors.

Acea's Business Plan

Acea's Business Plan, presented in 2020, is characterised by substantial aspects of continuity with respect to the previous plan, but also significant changes, in particular the increase in the production of electricity from renewable sources, photovoltaic power, and the use of e-mobility. The Plan comprises five key actions: to continue the Group's growth (Growth), to increase the development of renewables (Renewables), to drive technological innovation within industrial processes (Innovation), to reach and surpass challenging targets (Delivery), and to pursue an approach founded on sustainable development (Sustainability).



Sustainability is still the basis of the long-term strategy and is an integral part of the Business Plan, which includes the ESG strategic priorities. In particular, the expected industrial growth must develop in parallel with the technological development of cities and infrastructures and a lower environmental impact in terms of decarbonisation, an increased circular economy, the resilience of the electricity distribution grid and energy efficiency.

To this end, Acea is continuing to consolidate its commitment to sustainability by defining a series of objectives based on the Non-Financial Declaration and connected to the variable incentives system.

The ACEA remuneration policy is a vital lever in support of the medium and long-term strategy of the Group, conceived as a factor which contributes towards improving the company's performance and creating value in the medium and long-term.

The incentivising capacity of the systems is guaranteed consistently with the strategic objectives of the Group.

Results of voting by the shareholders' meeting

According to what is provided for in the laws in force at the moment of the vote (art. 123-ter, paragraph 6 of the CLF), the shareholders' meeting held on 22 April 2021, in view of the implementation of the SHRD II, held a binding vote on Section I of the 2021 Remuneration Report and a consultative vote on Section II. Below is a comparison of the votes cast in 2019 (Section I), 2020 and 2021 (Sections I and II).

In developing the 2022 policy on the subject of remuneration the results and motivations underlying the votes obtained during the 2021 Shareholders' Meeting were taken into account, in order to take on board the feedback received.



Brief overview

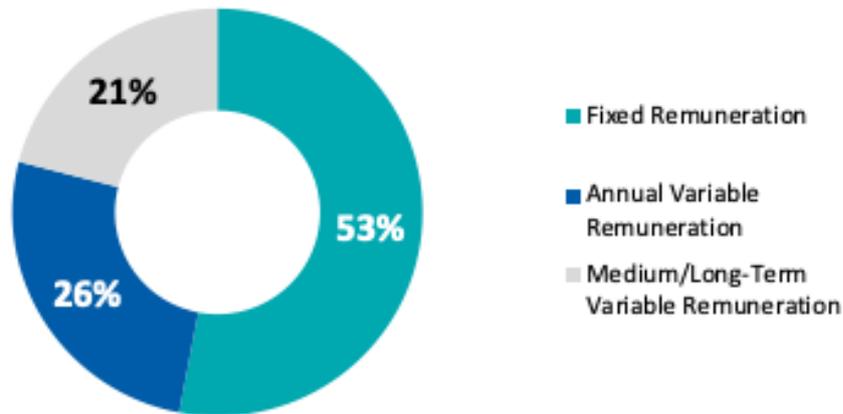
Remuneration Policy 2022			
Component	Purposes and characteristics	Implementation conditions	Amounts
 Fixed Remuneration	<p>The fixed remuneration component is determined by the professional specialization and organizational role filled with relevant responsibilities, reflecting the technical, professional and management skills.</p>	<p>The conditions for its definition are based on checking the remuneration positioning through market benchmarks consistent with the characteristics of Acea and the roles assigned.</p>	<p>CEO: € 486,000 per year of which</p> <ul style="list-style-type: none"> ▪ € 350,000 - GAR ▪ € 110,000 - remuneration for position as CEO ▪ € 26,000 - remuneration as Director <p>Chair person: € 276,000 per year of which</p> <ul style="list-style-type: none"> ▪ 250,000 € - emolument for Chair ▪ € 26,000 - remuneration as Board member <p>ESRs: remuneration determined on the basis of the complexity and responsibilities of the role within the Group</p>
 Short-Term Variable Remuneration (MBO)	<p>The annual variable component recognizes and rewards the objectives assigned and results achieved in correlation to the annual budget objectives and is an important motivational aspect.</p>	<p>KPIs: NFP (weight 30%); EBITDA (weight 30%); Net Profit (weight 30%); Composite Sustainability Objective (weight 10%).</p>	<p>CEO: target-based incentive level* of:</p> <ul style="list-style-type: none"> ▪ € 175,000 as Executive ▪ € 55,000 as CEO <p>Chair person: not provided for</p> <p>ESRs: average percentage of 47.5 % of target-based fixed component</p>
 Medium/Long-Term Variable Remuneration (LTIP)	<p>The Medium/Long-Term variable component ensures the alignment between the Management's interests and those of the shareholders and the retention of key figures.</p> <p>It is aimed at respecting the economic and financial principles and the economic returns on shareholder investments, measuring the returns on the invested capital.</p> <p>The LTIP is divided into three three-year cycles, each starting from 2021, 2022 and 2023.</p>	<p>Payment of an amount in cash based on the achievement of set objectives at the end of the reference three-year period.</p> <p>KPIs: Cumulative EPS (weight 40%); NFP/EBITDA (weight 25%); NFP/Net Profit (weight 25%); Composite Sustainability Objective (weight 10%).</p> <p>Characteristics: Rolling plan with three-year vesting.</p>	<p>The incentive, assigned to each beneficiary individually, is calculated as a percentage of the fixed component.</p> <p>CEO: incentive levels</p> <ul style="list-style-type: none"> ▪ minimum – 30% of the fixed component ▪ at target – 40% the fixed component ▪ maximum – 50% of the fixed component <p>ESRs: average incentive level</p> <ul style="list-style-type: none"> ▪ minimum – 22.5% of the fixed component ▪ at target – 32.5% the fixed component ▪ maximum – 42.5% of the fixed component
 Non-monetary Benefits	<p>They supplement the remuneration package in a total reward scheme through benefits primarily of a social security and welfare nature.</p>	<p>The conditions are defined in the national collective labour contracts and supplementary national agreements. The benefit plans do not include discretionary individual plans.</p>	<ul style="list-style-type: none"> • Social security and welfare plans • Insurance and health plans • Company car • Accommodation allowance • Meal vouchers
 Severance	<p>Severance packages aimed at protecting the interests of the Group, also from competition-related risks.</p>	<p>The Group does not currently have agreements between Acea and the Directors in office providing for indemnities in the event of resignation or unjust dismissal.</p>	

* the achievement of the minimum and maximum thresholds of the performance objectives entails a pay-out of 80% and 140% of the target amount respectively.

Pay mix

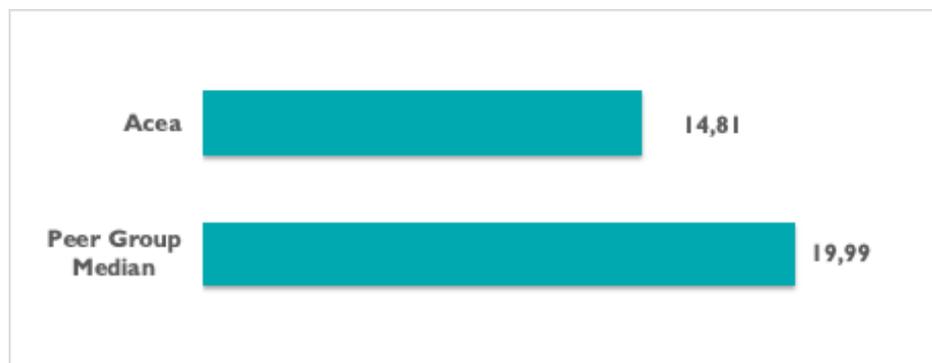
For the Chief Executive Officer/Business Development Strategy and Overseas Production Department Manager, the Pay Mix Target shown takes into consideration the remuneration package, considering the achievement of the targets regarding the MBO incentives system (as an Executive) and the short-term incentive (as CEO) and the target conditions of the 2021-2023 Long-Term Incentive Plan.

Target AD



Remuneration Multiple

Continuing on from previous years, the use of the remuneration multiple, which is the ratio between the remuneration of the Company Head and that of the average employee, has been confirmed for 2022 as one of the tools for monitoring the Acea remuneration policy. On the basis of this analysis, the remuneration multiple of Acea is currently 14.81, compared to an average value of 19.99 for its peer companies (A2A, Hera, Iren, Italgas, Snam and Terna). An improvement is recorded compared to the previous year, where the value calculated for the Acea Group had been 15.65: this can be attributed to a slight increase in the remuneration amount of the average employee, compared with stability in the remuneration components of the Company Head.



2021 was characterised by the ongoing effects of the pandemic on the economic system, continuing to generate instability and uncertainty of the growth prospects of companies. In this context, the Acea Group continued its commitment to provide its service around the country and to manage its customer care activities remotely, limiting the negative impact that these circumstances could have had on its employees, as part of its broad-based people care approach.

Acea, in addition, is the first Italian multiutility which, thanks to the commitment of its people, has been able to make available to the health institutions a company site, destined to be a vaccine Hub, for administering more than 1,000 daily doses of vaccine. The initiative is one of the actions carried out by Acea right from the start of the health emergency (among the others, we can note starting from last year an ad hoc insurance policy, constant internal communication on the subject of Covid-19, smart working and free serological tests) to guarantee the safety of its employees and at the same time to give a service to the public. These actions, taken together, made it possible to obtain the “Biosafety Trust” certification (RINA), as a recognition for the activities brought into play in managing the risk of infection, including that of Covid-19.

Correlation between remuneration, risk profile and company performance

The remuneration systems adopted in the interest of all of the stakeholders are in line with the long-term strategy, linked to the company objectives and structured so as to avoid incentives that may lead to conflicts of interest and the excessive undertaking of risks. The risk mitigation elements provided in the variable incentive systems are shown in the table below, which distinguishes between the short-term incentives and the long-term incentives:

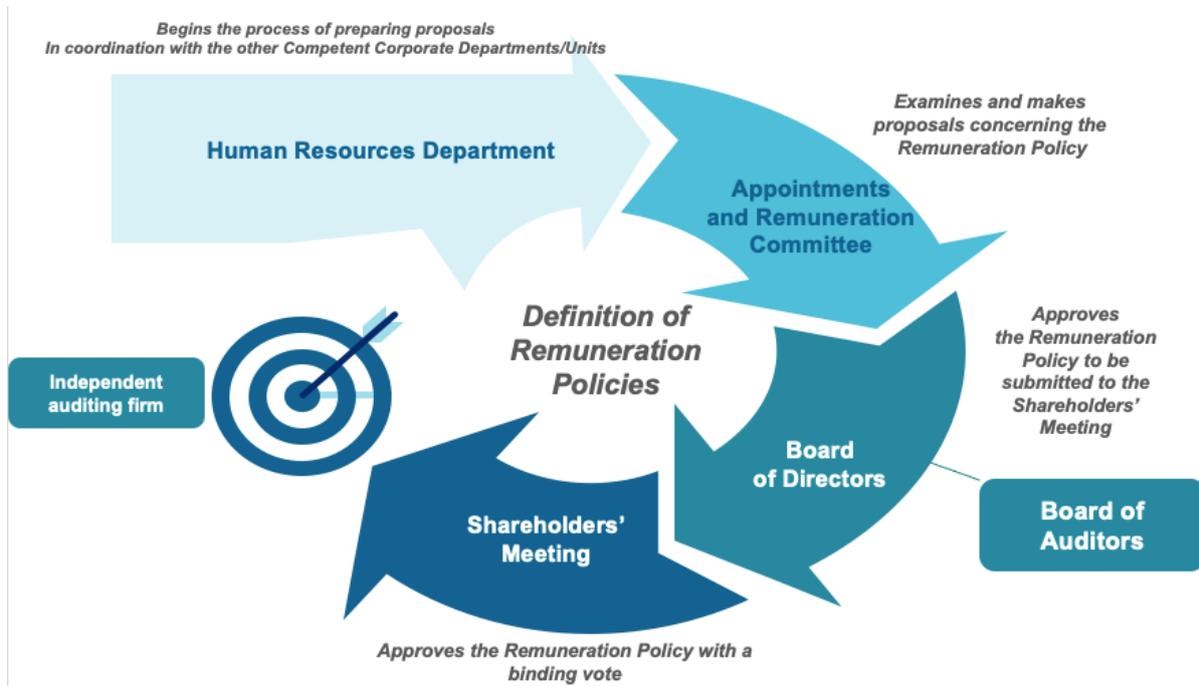
Risk mitigation elements	Variable short-term remuneration	Variable long-term remuneration
Definition of objectives consistently with the Strategic Plan	✓	✓
Provision of a cap for the variable remuneration of the Chief Executive Officer	✓	✓
Differentiation between economic and financial and sustainability performance objectives	✓	✓
Definition of Group indicators and/or specific Industrial Area indicators	✓	✓
Existence of claw back mechanisms	✓	✓
Provision of minimum value thresholds for each objective (with linear interpolation) guaranteeing payment only if a specific performance level is achieved	✓	✓

Having said this, the Company’s Remuneration Policy is based on an evaluation of a “moderate” risk profile; this evaluation derives especially from considering the sector to which the company belongs (regulated multi-utility), in which the margins from free market activities constitute a non-preponderant part.

This means that the Company is exposed to limited market risks and, conversely, more exposed to regulatory risks. Taking into account the “moderate” risk profile, Acea has elected to not allocate highly volatile financial instruments, such as option rights or other similar instruments, for example. The long-term variable component is therefore constituted exclusively by a monetary type plan.

Governance

The Acea Group has prepared a governance process concerning the remuneration policy involving numerous actors among the Corporate Bodies and internal departments, as shown in the figure below:



SECTION I



1. Governance Model

1.1. Subjects involved in defining and approving the Remuneration Policy

The Appointments and Remuneration Committee and the Board of Directors of the Company play a central role in defining the Remuneration Policy.

The Human Resources unit, in coordination with the other competent corporate departments/units and involving the top management, sets up in a proactive, clear and transparent manner the process of developing the remuneration policies. The enquiry phase begins with the monitoring of the most widespread market practices, also through benchmarks prepared by leading operators in the sector, with the intention of aligning and/or keeping aligned its Remuneration Policy with the best practices.

The result of these activities enables the competent bodies to submit to the shareholders remuneration policies and guidelines increasingly appropriate for the professionalism, competence and commitment required.

On the basis of the documents produced by the Human Resources unit, the Appointments and Remuneration Committee submits the Remuneration Report to the Board for approval.

The Committee provides information to the Board of Statutory Auditors, in order to enable the latter to check the consistency of the proposals on the subject of the directors' remuneration with the remuneration policy for the purpose of expressing the opinion pursuant to art. 2389 of the Italian Civil Code.

The intervention of the main corporate management bodies in the process for the approval of the Remuneration Policy ensures that it is based on clear and prudent rules which ensure that it is consistent, avoiding situations of conflict of interest and guaranteeing its transparency through suitable disclosure.

The following are the bodies and individuals involved in the approval process for remuneration policies.

a. The Shareholders' Meeting:

- pursuant to art. 2389 of the Civil Code, may decide not to intervene in determining the remuneration of the executive directors and members of the committees, or may establish the maximum threshold, leaving the Board to decide on how to allocate it;
- decides for or against (binding resolution, pursuant to art. 123-ter, paragraph 3-ter of the CLF) the first Section of the Remuneration Report (paragraph 3 of the same article), concerning the company's policy in terms of the remuneration of the members of the administration body, the control bodies and the executives with strategic responsibilities;
- decides for or against (non-binding resolution, pursuant to art. 123-ter, paragraph 6 of the CLF) the second Section of the Remuneration Report (paragraph 4 of the same article), concerning the remuneration paid during the business year in question to the members of the administration body, the control bodies and, in aggregate form, the executives with strategic responsibilities.

b. The Board of Directors:

- was appointed during the Shareholders' Meeting for the approval of the 2019 financial statements (29 May 2020);
- the current BOD, composed of 9 members, presides over the following areas of responsibility, consistently with the statutes:
 - determining the remuneration of the Chairperson, Chief Executive Officer and other Directors with specific duties, on proposal by the Appointments and Remuneration Committee, and also the remuneration due to the members of the Committees within the Board of Directors and the remuneration of the executives with strategic responsibilities;
 - unless the Shareholders' Meeting has already done so, determining the breakdown of the overall remuneration among the individual Board members;
 - unless the Shareholders' Meeting has already done so, electing the Chairperson, and also a Deputy Chairperson to replace the Chairperson in the event of absence or impediment, from among its members (art. 16 of the by-laws);
 - forming internal control and remuneration committees, appointing their members, appointing the General Manager, if required, and defining the number of executives;
 - appointing a Chief Executive Officer from among its members with delegated powers for everyday management and for any other deed they are responsible for within the limits of the law and the by-laws. The Board of Directors may also form an Executive Committee, establishing its powers. The delegated powers are conferred with the methods and for the purposes pursuant to art. 2381 of the Italian Civil Code;
 - defining the corporate governance system and structure of the Group, assessing the adequacy of the organizational, accounting and administrative set-up;
 - making the opportune assessments on the general management performance, periodically comparing the results achieved with those planned.

The current Board of Directors will remain in office until the Shareholders' Meeting for the approval of the Financial Statements at 31.12.2022. The composition of the Board in 2021 was as follows:

Composition of the Board of Directors

Michaela CASTELLI – Chairperson
Giuseppe Gola - Chief Executive Officer
Alessandro CALTAGIRONE – Member
Massimiliano CAPECE MINUTOLO DEL SASSO – Member
Gabriella CHIELLINO – Member
Diane GALBE – Member resigned on 25-02-22
Giovanni GIANI – Member
Liliana GODINO – Member
Giacomo LAROCCA – Member

The Chairperson is a non-executive, non-independent director.

The Chief Executive Officer is the only executive director of the Company.

The Board of Directors is composed of five independent non-executive directors, namely Alessandro Caltagirone, Massimiliano Capece Minutolo Del Sasso, Gabriella Chiellino, Liliana Godino and Giacomo Larocca, and two non-independent non-executive directors, Diane Galbe (*resigned on 25.02.2022*) and Giovanni Giani.

c. The Chief Executive Officer

He or she informs the Appointments and Remuneration Committee on the adequacy, overall consistency and proper application of the remuneration policy for the directors and executives with strategic responsibilities.

d. The Appointments and Remuneration Committee:

Briefly, the functions of the Committee are:

- proposing to and consulting with the Board of Directors and monitoring the application of the criteria and the decisions concerning the remuneration policy adopted by the Board of Directors itself;
- proposing and consulting as regards the remuneration of the Directors with specific duties and the Executives with Strategic Responsibilities.

On the basis of its internal regulation, the Committee comprises not less than three non-executive directors, the majority of them independent. The Chairperson of the Committee is one of the independent directors. The Appointments and Remuneration Committee is currently composed of independent directors only. At least one member of the Committee must have adequate knowledge and experience in financial matters or remuneration policies, to be assessed by the Board on appointment.

In relation to what is provided for in article 2389, paragraph 3 of the Italian Civil Code, and according to the Regulation, the Appointment and Remuneration Committee consults with and makes proposals to the Board of Directors.

The Committee gives its view on the remuneration policies and the appointment and retention of group staff presented by the Chief Executive Officer.

As regards its duties concerning appointment:

- it gives the Board its views on the dimensions and composition of the Board itself and makes recommendations as regards the management team and professionals whose presence is deemed necessary;
- it makes recommendations to the Board on the maximum number of positions to be held in administration or control bodies of other listed companies, financial companies, banks, insurance companies or, in any event, companies of significant dimensions that can be considered compatible with the effective performance of the duties of Director of the Company, taking into account the involvement of the Board members on the committees within the Board;
- it makes recommendations to the Board on any problems relating to the application of the ban on competition provided for in relation to the Directors by Art. 2390 of the Italian Civil Code, if the Shareholders' Meeting has generally and in advance authorised derogations to the ban due to needs of an organisational nature;

- it proposes to the Board candidates for the position of director if one or more directors step down during the course of the year (art. 2386, paragraph one of the Italian Civil Code), ensuring observance of the prescriptions of the law and the by-laws, and also those on the minimum number of independent directors and the quotas for the less represented gender;
- it gives its views to the Board if the plan for the succession of the executive directors is prepared.

As regards its duties concerning remuneration:

- it periodically assesses the adequacy, overall consistency and proper application of the remuneration policy for the directors and executives with strategic responsibilities, in this latter regard using the information provided by the general managers;
- it makes proposals or gives its views to the Board on the remuneration of the executives and the other directors with specific duties, and also on setting the performance targets correlated to the variable component of their remuneration;
- it monitors the application of the decisions of the Board itself, and in particular verifies the effective achievement of the performance targets on the basis of the data provided by the competent corporate departments;
- it submits the Remuneration Report for approval by the Board, in particular the Policy for the remuneration of the directors and executives with strategic responsibilities.

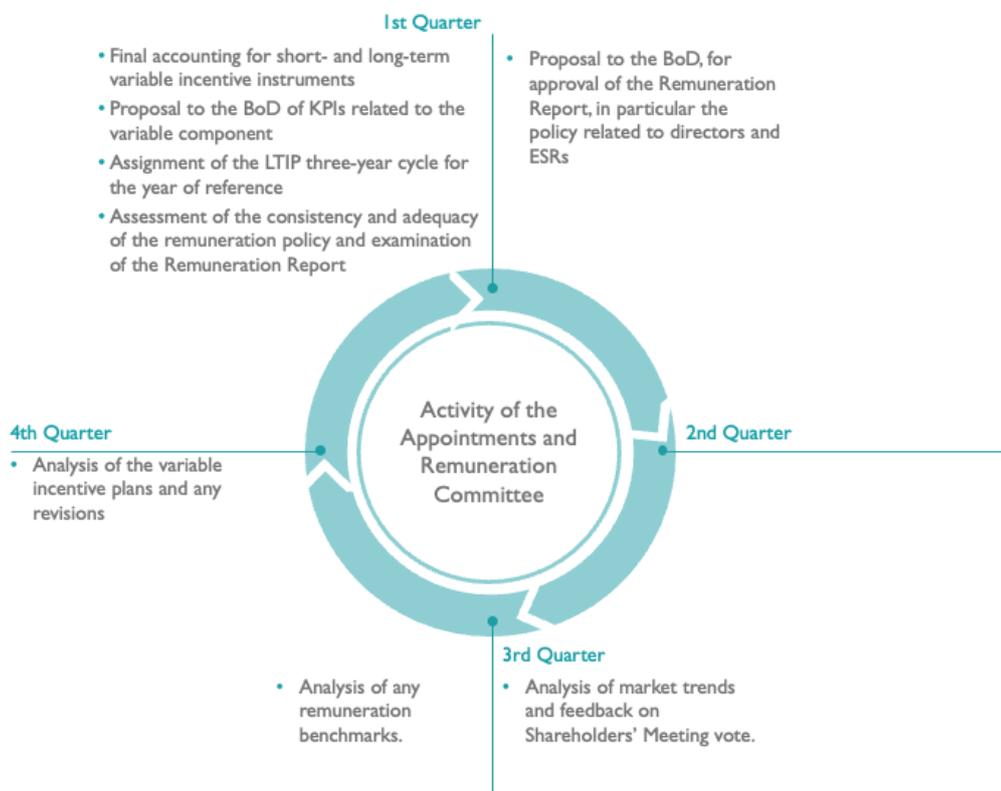
At least once a year, the Committee conducts a self-assessment of its size, composition, functioning and independence with regard to the duties provided for in its regulations.

The Committee expresses prior and non-binding views with regard to the individuals classed as having strategic responsibilities and those to be possibly attracted by the Long-Term Incentive Plan.

When expressing its prior and non-binding views, the Committee acquires preliminary information on the basis of the choice of the executives with strategic responsibilities and on the designation of the Directors and Statutory Auditors in significant companies.

The Committee meets periodically, with the frequency required for it to carry out its activities, usually on the dates provided in the annual calendar of meetings approved by the Committee itself.

The Appointments and Remuneration Committee met 6 times in 2021 and has met twice since the beginning of 2022.



The Chairperson of the Board of Statutory Auditors, or an auditor designated by them, attends the meetings of the Committee. The other regular auditors, the Chief Executive Officer and the Chairperson of the Board of Directors may also attend, as may other members of the Board of Directors or structure of the company on invitation by the Chairperson of the Committee, in order to provide information and express their views on the items on the agenda.

The Head of the corporate department involved in the process of preparing and monitoring the remuneration and incentive policies and processes also usually attends these meetings.

No director may preside over the Committee meetings in which proposals are made to the Board concerning its remuneration.

If required, the Committee interacts with the other Committees within the Board for the timely exchange of information relevant to the performance of their respective duties and the coordination of activities in areas of joint responsibility, by exchanging flows of information or holding joint meetings.

In carrying out its duties, the Committee has the right to access the information and corporate departments and structures, on the basis of their responsibilities, required for carrying out its duties and also to use external consultants who are not in situations such as to compromise their decision-making independence, within the limits of the annual budget allocated by the Board of Directors and the matters for which it is responsible.

Composition of the Appointments and Remuneration Committee

Massimiliano CAPECE MINUTOLO DEL SASSO - Chairperson
Gabriella CHIELLINO – Member
Giovanni GIANI – Member
Liliana GODINO – Member

e. Board of Statutory Auditors

The Board of Statutory Auditors expresses the views required by the laws and regulations in force, with specific regard to the remuneration of the Directors with specific duties pursuant to art. 2389 of the Italian Civil Code, also verifying the general remuneration policy adopted by the Company.

f. Other subjects involved

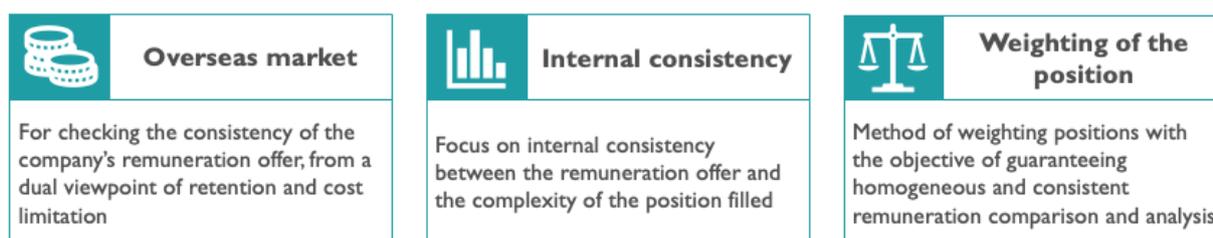
The auditing firm entrusted with the legal auditing of the financial statements, in compliance with the new reference framework for listed companies, annually verifies the preparation by the directors of section II of the report, through a formal check regarding the disclosure of information, without expressing its views in this regard or as regards its consistency with the financial statements or compliance with the laws in force.

2. The Remuneration Policy of the Acea Group

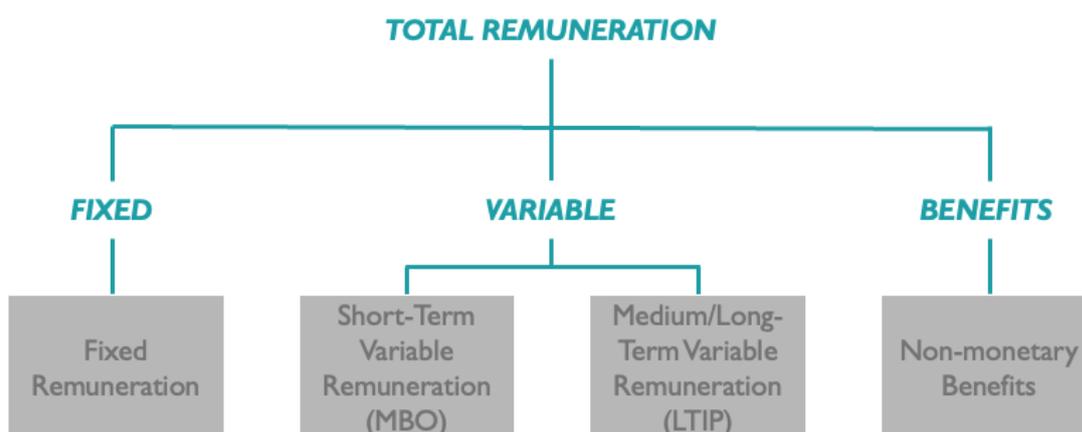
2.1. Purposes and guiding principles

The remuneration policy of the Acea Group is defined to ensure that the interests of the management team are in line with those of the shareholders, pursuing the priority objective of creating value sustainable in the medium and long-term by consolidating the link between individual and Group remuneration and performance. In addition, taking into account the recommendation pursuant to art. 5 of the Corporate Governance Code, it pursues the general purpose of attracting, retaining and motivating people with the competence and professionalism required by the role played in the Company. The Acea Group is also continuing to plan its incentive systems so that the results achieved with regard to the strategic objectives are effectively recognised, at the same time enhancing the value, social responsibility and sharing of sustainable conduct that characterises the Group as a whole, and adherence to the corporate values and personal commitment.

The following elements are always taken as reference for the definition of the remuneration policy:



2.2. The components of remuneration



2.2.1 Fixed Remuneration

The fixed remuneration component is determined by the professional specialization and organizational role filled and reflects the technical, professional and managerial skills of the individual.

2.2.2 Variable remuneration

The variable component recognises and rewards the objectives assigned and results achieved and is determined according to parameters which involve weighting the risks involved and the connection to effective and durable results. It constitutes an important motivational tool.

The variable remuneration is based on an annual component and a medium and long-term component.

a. Variable short-term incentive plan (MBO)

The annual incentive plan encourages the achievement of the annual budget objectives defined with a view to medium and long-term sustainability.

Starting from the previous year, the review by the Appointments and Remuneration Committee of the implementation mechanism of the short-term plan represented a strong commitment, studying market best practices to enable the development of a plan that ensures equity and communicative and evaluative simplicity, while continuing to guarantee a robust process that captures generated value.

The guiding principles in the development of the model were:

- to simplify the model and ensure the direct correlation of the results achieved with the outcome of the evaluation process: to focus the MBO system on the objective and measurable targets, eliminating conduct evaluations;
- to share objectives to promote team spirit and cohesion: the creation of three types of target (group, area/business and individual/team), differentiating the weight of the components by “hierarchical level”; the lower the hierarchical tier, the lower the weight of the group component, while the impact that shareholders can have on that performance is also reduced.

Process of assigning objectives and paying bonuses



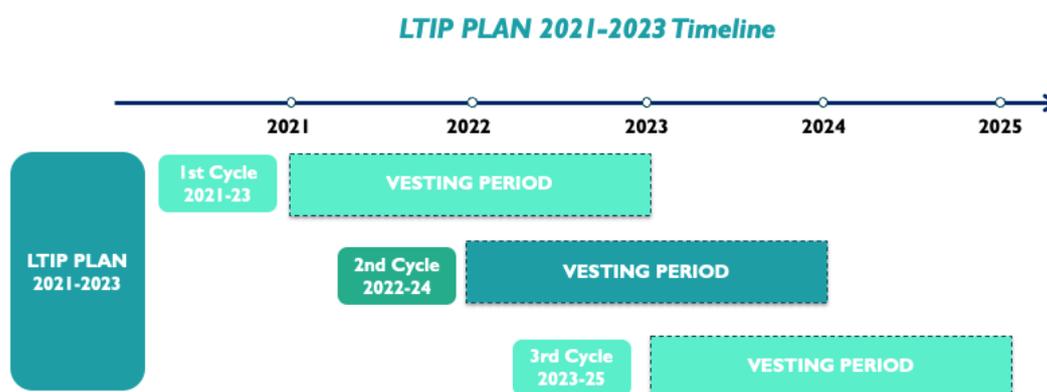
The model for Executives with Strategic Responsibilities consists of a series of Group objectives that comprise the targets of the CEO and the COO and, for the CFO, the Area targets.

All other Managers involved in the incentive plan are identified annually on the basis of the Group guidelines and consistently with the company’s business and human resource management strategies.

b. Variable long-term incentive plan (LTIP)

The main purposes of the long-term incentive plan include gaining the trust of the management team and giving them incentives to achieve the economic, financial and sustainability objectives of the Group in the interest of the shareholders, thus aligning their objectives.

The 2021-2023 Long-Term Incentive Plan is a “rolling” plan based on the assignment of three three-year cycles that provides for the payment of a cash bonus at the end of the three years (vesting period), on the basis of the achievement of the performance objectives in line with the Strategic Plan.



The performance parameters provided for in the second cycle of the Plan are characterised by a close alignment with the Group’s Business Plan, thanks to the use of economic and financial indicators, and indicators that recognise the creation of sustainable value in the medium-long term. As regards sustainable value, confirming the increasing focus on this aspect and as a result of market benchmarking conducted by an external advisor, Acea has maintained a specific sustainability objective, with a significant weight among the objectives of the beneficiaries, which considers the most relevant materiality topics defined in the Non-Financial Declaration, to which the reader is referred. Furthermore, the EPS (Earnings Per Share) mechanism was maintained also for this cycle, as this is one of the most widely used financial market indicators used to compare business performance and the potential return of the equity investment. The EPS indicates the profitability of individual shares, regardless of whether this profitability consists of dividends or is withheld within the business to finance its development.

2.2.3 Sustainability and remuneration

In a market context in which the connection between variable remuneration mechanisms and the achievement of social and environmental results is increasingly widespread, the Acea Group has confirmed its path of increasing the integration of sustainability into the business activities, a strategic guideline represented by progressively bringing the performance management system into line with the objectives of the Acea Sustainability Plan. Also for 2022 and in continuity with the past, the short- and long-term incentive plans provide for both economic/financial objectives and objectives linked to the subject of sustainability, presented in detail below:

MBO 2022 COMPOSITE SUSTAINABILITY OBJECTIVE	2ND CYCLE LTIP 2021-2023 COMPOSITE SUSTAINABILITY OBJECTIVE
<ul style="list-style-type: none"> Improved efficiency of water purifiers; No. of secondary Cabins on which to do activation/upgrade work (network digitalisation); Volumes processed in the circular waste management system; Average Customer Satisfaction Index for Group companies. 	<ul style="list-style-type: none"> Cumulated percentage change to IRI; Percentage reduction of leakage/water resources; Percentage reduction of treated sludge; Reduction of CO₂ emission intensity index in Acea Produzione; Lower injury-related indices.

2.2.4 Non-monetary benefits

These are aimed at supplementing the remuneration package from a total reward viewpoint through benefits that are mainly of a social security and welfare nature. They are defined by national collective contracting and the supplementary corporate agreements.

The remuneration package for Acea Management is completed by a series of benefits of a non-monetary nature constituting an integral part thereof. They mainly consist of social security and welfare plans, insurance and medical plans, company cars and accommodation and meal vouchers.

2.3. Derogations to the remuneration policy

As an exceptional and non-recurrent measure, with the approval of the Appointments and Remuneration Committee, with regard to the Chairperson/CEO and the Executives with Strategic Responsibilities respectively, an exception may be made by the Board of Directors (for the former) and the CEO (for the latter) to the policy described previously, subject to the activation of the Procedure for Related Party Transactions adopted by the Company. Example situations include, but are not limited to, unplanned extraordinary operations (e.g. business restructuring, reorganisation or reconversion), substantial unforeseeable *external shocks*, changes to the organisational, management or administrative structure of the business such to impact the economic-financial results or the creation of value in the long term, changes to the members of the appointed bodies due to non-recurring events which require the renegotiation of the remuneration package in shorter time frames, in cases when other obligations may prevent the sustainability of activities in the medium and long term. The powers of derogation may consider the size of the fixed component, in the event of a change to the current roles or delegations attributable to them, and the variable components in the event of the conditions described above, with a view to realigning the remuneration policy with the Company's long-term strategy.

3. The remuneration package of the administration and control bodies and the ESR

In general, the remuneration components are divided into:

- **fixed component:** determined by the professional specialization and organizational role and related responsibilities;
- **variable component:** based on performance and linked to effective and durable results.

The following table shows the composition of the remuneration package of the Directors, including the Executive directors and the Directors with specific duties, the Executives with Strategic Responsibilities and the control bodies.

Component	Chairperson	Chief Executive Officer	Non-executive directors	Executives with Strategic Responsibilities	Board of Auditors
Fixed Remuneration	✓	✓	✓	✓	✓
Annual Variable Remuneration		✓		✓	
Medium/Long-Term Variable Remuneration		✓		✓	
Benefits		✓		✓	

Below is a detailed description of the remuneration policy applicable to the Chairperson and members of the Board of Directors and Board of Auditors, the Chief Executive Officer and the Executives with Strategic Responsibilities.

3.1. Chairperson

The current remuneration package of the Chairperson only includes gross annual fixed annual remuneration.

The following is the remuneration policy proposed for the Chairperson:

- annual gross fee as Board member of € 26,000;
- gross annual remuneration for the office of Chairperson of € 250,000.

3.2. Members of the Board of Directors

As regards the Board of Directors, the following table summarises the current involvement of its members in the various Committees within the Board:

BOARD OF DIRECTORS		Risk Control Committee (*)	Appointments and Remuneration Committee (*)	Related Party Transactions Committee (*)	Ethics and Sustainability Committee (*)	Committee for the Territory (*)
Michaela CASTELLI	Chairperson					
Giuseppe GOLA	Chief Executive Officer					
Alessandro CALTAGIRONE	Member					
Massimiliano CAPECE MINUTOLO DEL SASSO	Member	Member	Chairperson	Member	Member	Member
Gabriella CHIELLINO	Member		Member		Chairperson	
Diane GALBE <i>resigned on 25-02-22</i>	Member					
Giovanni GIANI	Member	Member	Member		Member	Chairperson
Liliana GODINO	Member	Chairperson	Member	Coordinator		
Giacomo LAROCCA	Member	Member		Member	Member	Member

All of the members of the Committees (CRC, ARC, RPTC, ESC, TC) are independent except for Giovanni Giani

The following is a summary of the remuneration for the members of the Board of Directors and of the Committees within the Board:

	Board of Directors	Individual gross annual fee of € 26,000 net of annual reimbursement of documented expenses.
	Risk and Control Committee (RCR)	Gross annual fee for the Chairperson of € 30,000 ; Gross annual fee for each member of € 15,000 .
	Appointment and Remuneration Committee (ARC)	Gross annual fee for the Chairperson of € 30,000 ; Gross annual fee for each member of € 15,000 .
	Ethics and Sustainability Committee (ESC)	Gross annual fee for the Chairperson of € 30,000 ; Gross annual fee for each member of € 15,000 .
	Related Party Transactions Committee (RPTC)	Gross annual fee for the coordinator of € 30,000 ; Gross annual fee for each member of € 15,000 .
	Committee for the Territory (CT)	Gross annual fee for the Chairperson of € 30,000 ; Gross annual fee for each member of € 15,000 .

In addition, in line with Recommendation no. 25 of the Corporate Governance Code, the Company will continue to monitor the most widespread market practices in order that the members of the bodies can develop shareholder remuneration policies and orientations that increasingly take into account the professionalism, skills and commitment required.

3.3. Chief Executive Officer - Business Development Strategy and Overseas Production Department Manager

The following is the remuneration policy proposed for the Chief Executive Officer:

3.3.1 Fixed remuneration

- Annual gross fee as Board member of € 26,000.
- Annual remuneration as Chief Executive Officer of € 110,000 gross per year.
- Fixed gross annual remuneration as Executive of € 350,000.

3.3.2 Short-term variable remuneration

- I. Target-based gross annual short-term variable remuneration as Executive of € 175,000.
- II. Target-based gross annual short-term variable incentive as CEO of € 55,000.

The following is a summary of how the two incentive plans work:

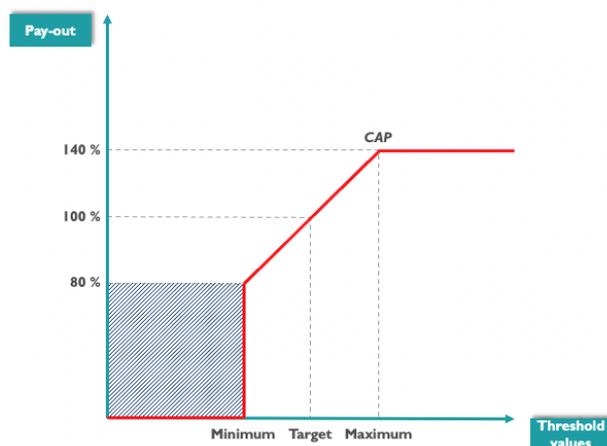
- I. The short-term variable remuneration (MBO) as an Executive is composed of Group economic, financial and sustainability objectives that are assigned on the basis of the annual budget and the results are then calculated in the following year. For 2022, the underlying objectives of the plan, and their percentage weight, are the following:

OBJECTIVES	WEIGHT
NFP: Net Financial Position:	30 %
EBITDA	30 %
Net Profit (NP)	30 %
Sustainability objective	10 %
TOTAL	100 %

In line with the previous year, in 2022 the Group's objectives will include a sustainability indicator aimed at the main Business Areas of the Acea Group.

- II. The short-term variable remuneration as Chief Executive Officer is based on the targets established in the MBO plan in view of their fundamental importance to the company.

Both of the incentive systems function in the same way, represented by the definition of minimum, target and maximum thresholds for each objective, as can be seen in the figure below:



- there is no pay out below the minimum threshold;
- achievement of the minimum threshold will give access to 80% of the pay out for the indicator achieved;
- achievement of the target value will give access to 100% of the pay out for the indicator achieved;
- achievement of the maximum threshold will give access to 140% of the pay out for the indicator achieved.

As regards the review and payment of the pay out, the plan involves some weighted calculations of the achievement of the individual Group objectives. Within each range interval, defined for each Group objective, the overall value will define the associated pay out percentage, through a linear interpolation.

3.3.3 Medium and long-term variable remuneration (LTIP)

The portion of the remuneration package of the Chief Executive Officer regarding the long-term variable incentive is the second cycle of the 2021-2023 Long-Term Incentive Plan. The minimum percentage is 30% of fixed annual remuneration, while the incentive target is 40%, up to a maximum of 50% for over-performance.

The Long-Term Incentive Plan 2021-2023 is a rolling plan based on three three-year cycles, with the payment of a cash bonus at the end of the three-year period in question based on the achievement of predefined targets.

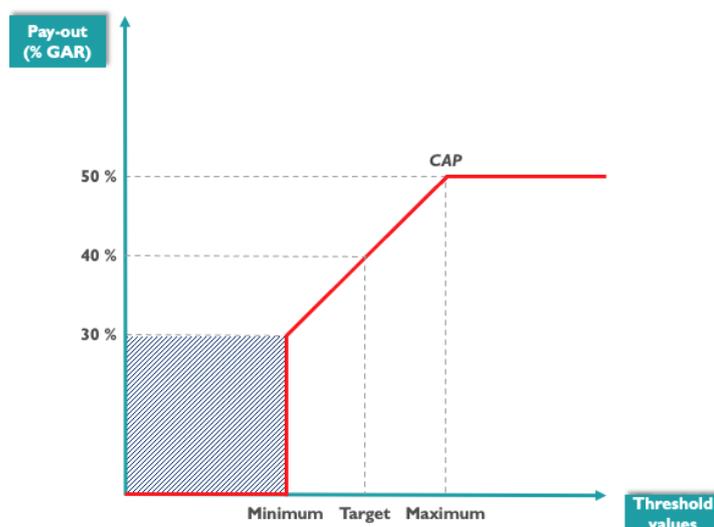
These targets aim to ensure compliance with economic and financial principles as well as the profitability of the shareholder securities, and the sustainable performance of the Group over the medium and long term.

Briefly, the objectives set in the plan are the following, with an explicit indication of their percentage weight:

OBJECTIVES	WEIGHT
Cumulated Earnings per Share (EPS)	40 %
NFP/EBITDA	25 %
NFP/Net Profit	25 %
Sustainability objective	10 %
TOTAL	100 %

The basis of the system is represented by minimum, target and maximum thresholds for each of the three objectives. The following is a detailed description of how performance is measured in relation to the overall achievement of the objectives:

- there is no pay out below the minimum threshold;
- the overall achievement of the objectives at minimum value will give access to 30% of gross annual remuneration;
- the overall achievement of the objectives at target value will give access to 40% of the gross annual fixed remuneration;
- the overall achievement of the objectives at maximum threshold will give access to 50% of the gross annual fixed remuneration.



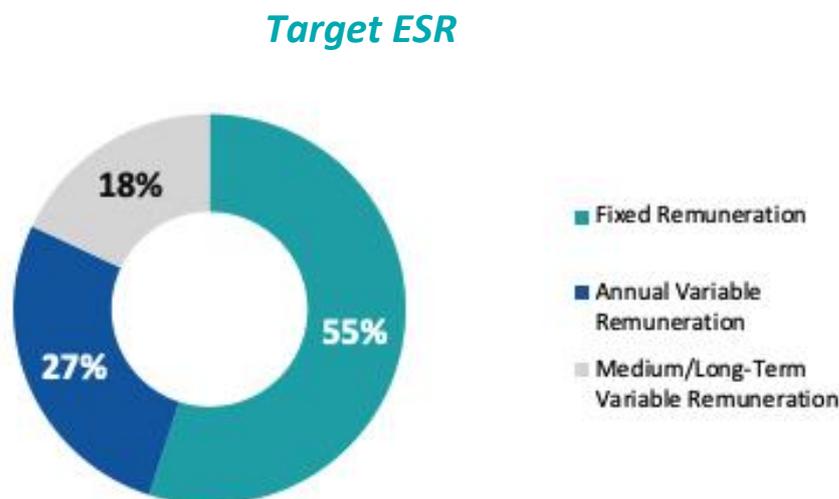
As regards the review and payment of the pay out, the plan involves some weighted calculations of the achievement of the individual objectives.

3.3.4 Non-monetary benefits

The remuneration package is completed by a series of benefits of a non-monetary nature constituting an integral part thereof. They mainly consist of social security and welfare plans, insurance (this also includes D&O Liability) and medical plans, company cars and accommodation and meal vouchers.

3.4. Executives with Strategic Responsibilities

The following is the pay mix of the ESR



The pay mix target defined for Executives with Strategic Responsibilities is based on the achievement of the Group targets set in the annual variable incentive plan (MBO), and the target conditions provided for in the second cycle of the variable Long Term Incentive Plan for 2021-2023.

The remuneration package of the Executives with Strategic Responsibilities is composed of:

3.4.1 Fixed Remuneration

The amount of the fixed remuneration is defined on the basis of the role and responsibilities involved.

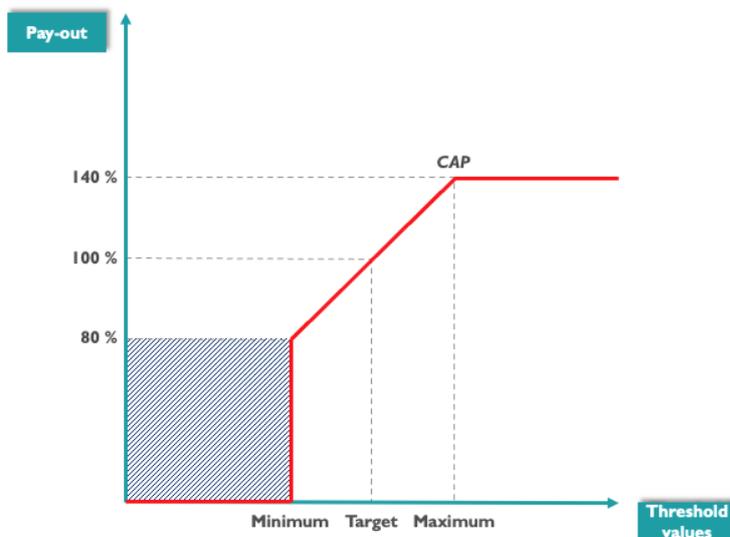
3.4.2 Variable short-term remuneration (MBO)

The amount of the annual variable remuneration (MBO) is defined on the basis of the level of achievement of the Group objectives and, in the case of the Group and Area CFO, as regulated by the Variable Incentive Plan in force, the “Variable annual short-term incentive plan (MBO)”. Target-based incentivisation is managed on the basis of the position held, with an average percentage of 47.5% of gross annual remuneration.

In order to transform the strategic guidelines into concrete results, a framework has been developed to structure the Group's objectives, with the aim of providing a robust set of principles for the definition of the quantitative objectives for 2022.

The process for assigning objectives begins with the definition of Group objectives proposed by the Appointments and Remuneration Committee to the Board of Directors, which approves them, followed by the development of a series of targets by area and company, in order to ensure alignment across departments and organisations in the definition of Area's goals by the various Department Managers, reflecting impacts and interrelationships not only between goals but also between targets.

The achievement of the individual objectives is expressed by identifying and measuring (in terms of percentage of the target) specific performance levels: high, medium and low.



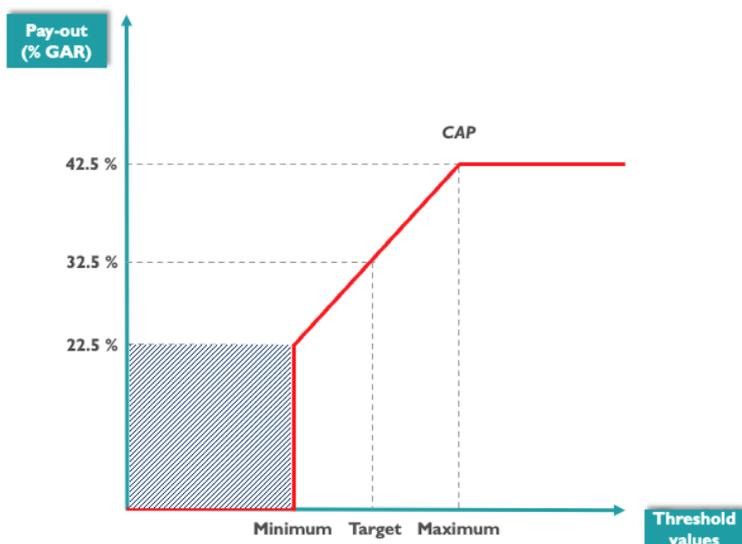
- there is no pay out below the minimum threshold;
- achievement of the minimum threshold will give access to 80% of the pay out for the indicator achieved;
- achievement of the target value will give access to 100% of the pay out for the indicator achieved;
- achievement of the maximum threshold will give access to 140% of the pay out for the indicator achieved.

Weighted calculations of the achievement of each objective are involved in reviewing and paying the pay out.

3.4.3 Medium and long-term variable remuneration (LTIP)

The second cycle of the 2021-2023 Long-Term Incentive Plan, intended for all of Executives with Strategic Responsibilities, as well as the Chief Executive Officer/Overseas and Business Development Strategy Industrial Area Manager, provides for a bonus paid out on the basis of three three-year cycles, subject to the achievement of the medium and long-term objectives.

The performance indicators underlying the plan and the mechanism for its operation are the same as those described for the Chief Executive Officer. For Executives with Strategic Responsibilities, the plan provides for an average incentive target level of 32.5% of the GAR of each beneficiary, as better described in the figure below:



3.4.4 Non-monetary benefits

The remuneration package is completed by a series of benefits of a non-monetary nature constituting an integral part thereof. They mainly consist of social security and welfare plans, insurance (this also includes D&O Liability) and medical plans, company cars and accommodation and meal vouchers.

3.5. Board of Statutory Auditors

As regards the Board of Statutory Auditors, the mandate of which expires with the approval of the financial statements for financial year 2021, the determination of the related fees is referred to the Shareholders' Meeting which will renew the body. From analyses of the benchmarks carried out by Italian energy and utility providers, it emerged that the remuneration of the Chairperson and the members of the outgoing Board of Statutory Auditors, while being positioned at the top end of the market, is appropriate for the positions held as well as the competence, professionalism and commitment required, including in relation to attendance at board meetings and participation in internal committees, as also provided for in Recommendation no. 30 of the Corporate Governance Code. An adequate differentiation between the fee paid to the Chairperson with respect to that of the other members is also provided for. The details of the remuneration are presented in the table below:

Board of Auditors

Chairperson	€ 150,000
Standing auditor	€ 100,000

4. Parachute and Clawback clause

4.1. Resignation, dismissal and termination of contract

In reference to the policies in force in the event of contract termination, please refer to the provisions established by the National Collective Labour Agreement (CCNL) for Executives of Public Utility Service Companies, parts IVa) and Va) of which regulate the methods for the definition of the contract terminations of Executives and the “Executive Exodus Management” Policy approved by the Board of Directors with Resolution no. 33 of 21 December 2011, which is still in effect. The “Executive Exodus Management” Policy refers to the Collective Labour Agreement (CCNL) considers the short and long-term fixed and variable components on a monthly basis. The Chief Executive Officer, Mr. Gola, is entitled to receive the maximum amounts provided for by the policy.

No agreements have been stipulated between Acea and the Executives in office providing for indemnities in the event of resignation or dismissal without just cause.

There are no agreements provided for the Executives with Strategic Responsibilities regulating *ex ante* the economic aspects concerning the eventual termination of their contracts. In such eventualities, the “Executive Exodus Management” Policy, approved by the BOD on 21 December 2011 by Resolution no. 33/2011 and operational since then and based on the clauses included in the applicable national collective labour agreement, shall apply.

Acea has no non-competition clauses in force with regard to its Executives as of the date of this report. To date, only one Executive with Strategic Responsibilities has a non-competition clause in place, with a duration of 12 months, for which a fee equal to 6 months of the GAR is paid.

4.2. Clawback clauses

In line with an increasingly stringent Corporate Governance Code as regards transparency, and from a viewpoint of an increasingly responsible remuneration policy, Acea, which was one of the first businesses in Italy to acknowledge the advice of the European regulatory bodies in this regard, has not only maintained the clawback clause, but has expanded it to cover the managerial roles with the greatest impact on the Group’s business activities.

This choice guarantees the right to request the restitution of the variable remuneration components—both short-term and medium/long-term—should these components have been paid on the basis of conduct of a malicious nature and/or due to serious misconduct, such as the intentional alteration of the figures used in achieving the objectives or obtaining these figures through conduct contrary to the corporate or legal regulations.

SECTION II



Introduction

Section II is composed of three separate parts:

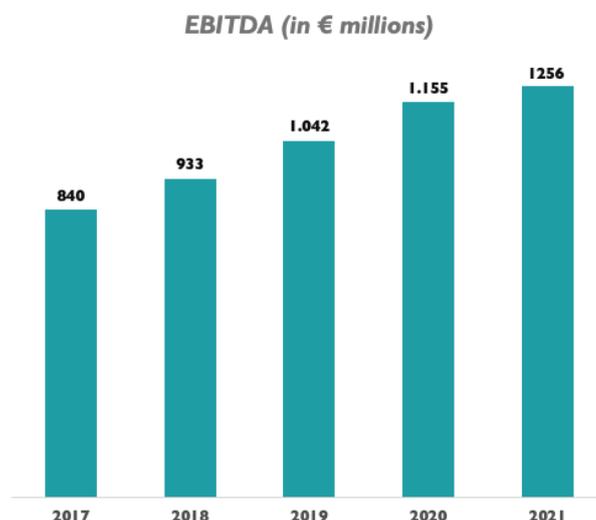
1. The first part of Section II presents the implementing framework of the Remuneration Policy as presented to the 2021 Shareholders' Meeting, the company's results, with a particular focus on the achievement of the objectives established in the plans, and the balance between the various components that comprise the remuneration package paid to the Chief Executive Officer and the Executives with Strategic Responsibilities.
2. The second part describes the items comprising the remuneration of the members of the Board of Directors (Chairperson, Chief Executive Officers, non-executive members and members of the Committees within the Board), the Board of Statutory Auditors and the Executives with Strategic Responsibilities, giving proof of their compliance with the remuneration policy approved by the Shareholders' Meeting.
3. The third part analyses the remuneration paid out in 2021, in compliance with the tables contained in the Issuer Regulations (Appendix 3A - Table 7-bis), for the members of the administration and control bodies, in individual terms, and for the Executives with Strategic Responsibilities, in aggregate terms.

These components of remuneration (fixed and variable components and non-monetary benefits) have been paid according to a criterion of competence, in relation to the effective period spent in the role and consistently with the reference Remuneration Policy. Furthermore, they are in line with the Remuneration Policy last approved by the Shareholders' Meeting on 22 April 2021 and the resolutions of the Board of Directors during the business year in question.

Executive summary – Section II

Results, context and application of the 2021 Remuneration Policy

In 2021, the Acea Group achieved robust economic results, demonstrating growth on the previous year despite the challenging operating conditions created by the health emergency, and successfully guaranteeing service continuity across the national area. In particular, the graph below shows that EBITDA has grown since the start of the previous board mandate in 2017, with a 50% variation between 2017 and 2021 and an annual composite increase of 9%.



During the last board mandate, average gross annual remuneration – based on full-time employees other than those whose remuneration is not represented individually in the present Report or the other ESRs – was stable, leading to a slight increase (approximately 1% between 2020 and 2021).

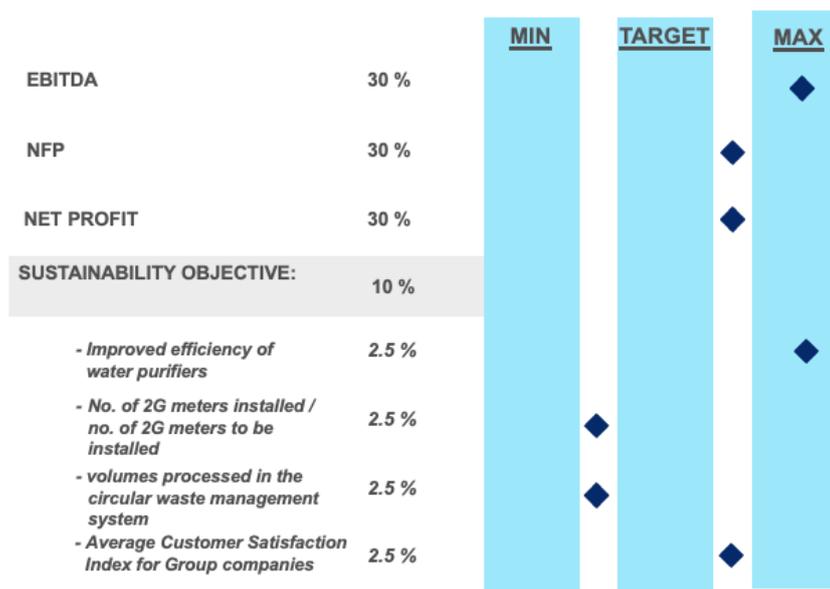
As regards the trend of changes in the total remuneration between 2021 and 2020 of each of the people for whom the information is provided by name we can present the following:

- for the Chairperson we can report no changes regarding the remuneration package;
- for the Chief Executive Officer the change is - 32%. In detail:
 - no change regarding the fixed remuneration;
 - increase in the short-term variable remuneration (of € 22,250), the consequence of greater achievement of the Group’s objectives for 2021;
 - absence of disbursement of the long-term variable component related to 2021, as against the disbursement (of € 379,655) connected to the 2018-2020 long-term incentive plan.

2021 Results

Short-Term Incentive Plan

In 2021 the Acea Group achieved exceptional economic and financial results. The following table indicates the level of achievement of each objective:



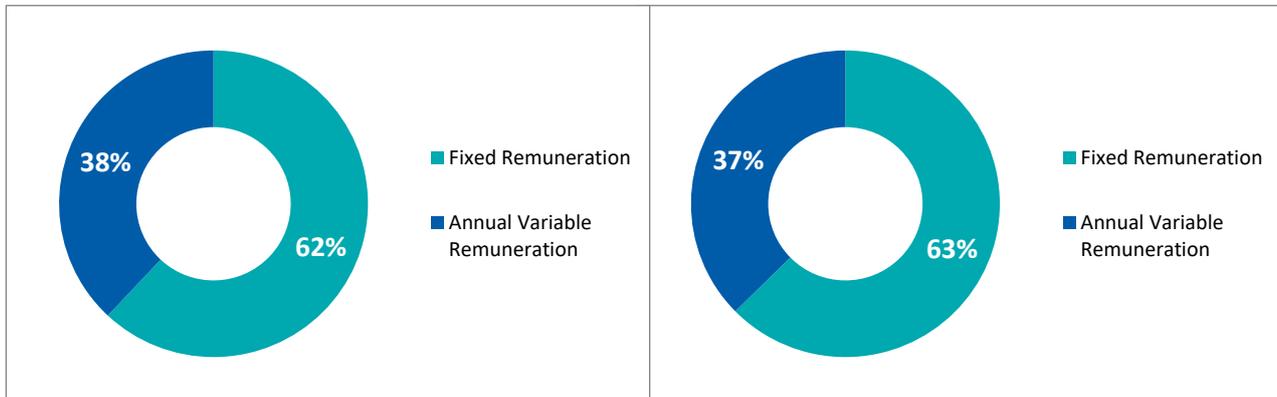
On proposal by the Appointments and Remuneration Committee, the Board of Directors thus verified that the Group objectives had been achieved by 126.06%.

Balancing of remuneration package

The components effectively paid to the Chief Executive Officer and the Executives with Strategic Responsibilities in percentages, are shown below.

ACTUAL PAY MIX – CEO

ACTUAL PAY MIX - ESRs



1 • Description of the remuneration paid to the Directors and Executives with Strategic Responsibilities

1.1. Chairperson

The Chairperson has a remuneration package divided as follows:

- a gross fee in the capacity of Chairperson of the Board of Directors of € 250,000, defined by the Board of Directors;
- a gross fee of € 26,000 as a member of the Board of Directors.

1.2. Chief Executive Officer - Business Development Strategy and Overseas Production Department Manager

The Chief Executive Officer has a remuneration package divided as follows:

1.2.1 Fixed Remuneration

- a gross fee, as member of the Board of Directors, of € 26,000, as resolved by the Shareholders' Meeting on 29 May 2020;
- a gross fee, in the capacity of Chief Executive Officer, of € 110,000, as defined by the Board of Directors;
- a gross fee, as Executive, of € 350,000, defined by the Board of Directors.

1.2.2 Short-term variable remuneration

- variable incentive plan (MBO), in the capacity of Executive, amounting to a gross target-based amount of € 175,000;
- gross annual variable incentive, in the capacity of Chief Executive Officer, of € 55,000.

The achievement of the Group's objectives enabled the Chief Executive Officer to benefit from a total bonus of € 289,938.

1.2.3 Non-monetary benefits

The remuneration of the Chief Executive Officer/Business Development Strategy and Overseas Production Department Manager is completed by a non-monetary benefits package worth € 7,612 (according to a taxable income criterion).

I.3. Directors

The members of the Board of Directors received the remuneration established by the Shareholders' Meeting for the position of director, with regard to the period in which they acted in such capacity, as did the members of the Committees within the Board of Directors and other bodies/committees.

For completeness, the details of the relevant remunerations are given in Table I below.

I.4. Board of Statutory Auditors

In 2021, the Chairperson of the Board of Statutory Auditors of Acea received gross remuneration amounting to € 150,000, as shown in Table I.

The members of the Board received gross remuneration amounting to € 100,000 for acting in the capacity of Statutory Auditors, with regard to the period in which they acted in such capacity, for Acea and other Companies in the Group.

For completeness, the details of the relevant remunerations are given in Table I below.

I.5. Executives with Strategic Responsibilities

The Executives with Strategic Responsibilities received, at the aggregate level, a gross annual fixed fee of € 581.033.

The total target-based value of the annual bonus for 2021 is estimated at € 282,423.

The achievement of the objectives of the short-term incentive plan enabled the Executives with Strategic Responsibilities to benefit from a total bonus of € 361,599.

The total value of the package of non-monetary benefits (according to a criterion of taxability) assigned in 2021 to the Executives with Strategic Responsibilities is € 18,026 at the aggregate level.

Table I: Remuneration paid to the members of the administration and control bodies, general managers and other Executives with Strategic Responsibilities

Name and Surname	Position	Term in position	End of term	Fixed remuneration	Remuneration for membership of Committees	Variable non-equity remuneration		Non-monetary Benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnities for resignation or termination of contract
						Bonuses and other incentives	Share of the profits					
Michaela Castelli	<i>Chairperson</i>	01/01/2021 31/12/2021	Approval of the 2022 Financial Statements									
(I) Remuneration in the company preparing the financial statements				€ 276,000						€ 276,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				€ 276,000						€ 276,000		
				(I) Amount inclusive of the gross annual fee for the position of Chairperson (€ 250,000) and for that of member of the BoD (€ 26,000)								

Name and Surname	Position	Term in position	End of term	Fixed remuneration	Remuneration for membership of Committees	Variable non-equity remuneration		Non-monetary Benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnities for resignation or termination of contract
						Bonuses and other incentives	Share of the profits					
Giuseppe Gola	CEO - Business Development Strategy and Overseas Production Department Manager	01/01/2021 31/12/2021	Approval of the 2022 Financial Statements									
(I) Remuneration in the company preparing the financial statements				€ 486,000		€ 289,938		€ 7,612		€ 783,550		
(II) Remuneration from subsidiaries and associates												
(III) Total				€ 486,000		€ 289,938		€ 7,612		€ 783,550		
Notes				(I) Amount inclusive of the gross annual fee for the position of Chief Executive Officer (€ 110,000), executive (€ 350,000) and member of the BoD (€ 26,000)		Total amount of the short-term variable incentive in the capacity as executive (mbo) of €220,605, in the capacity as Chief Executive Officer of €69,333		Only the taxable portion of non-monetary benefits given				

Name and Surname	Position	Term in position	End of term	Fixed remuneration	Remuneration for membership of Committees	Variable non-equity remuneration		Non-monetary Benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnities for resignation or termination of contract
						Bonuses and other incentives	Share of the profits					
<i>Giovanni Giani</i>	<i>Director</i>	01/01/2021 31/12/2021	Approval of the 2022 Financial Statements									
(I) Remuneration in the company preparing the financial statements				€ 26.000	€ 77.276					€ 103.276		
(II) Remuneration from subsidiaries and associates												
(III) Total				€ 26.000	€ 77.276					€ 103.276		
<i>Notes</i>				Total gross annual remuneration as member of the BoD	Remuneration as member of the ARC, CRC and ESC Remuneration as EC Chairperson and member of RPTC up to 22 March 2021. Remuneration as TC Chairperson starting from 22 March 2021							

Name and Surname	Position	Term in position	End of term	Fixed remuneration	Remuneration for membership of Committees	Variable non-equity remuneration		Non-monetary Benefits	Other remuneration	Total	Fair Value of equity remuneration	Indemnities for resignation or termination of contract
						Bonuses and other incentives	Share of the profits					
<i>Massimiliano Capece Minutolo Del Sasso</i>	<i>Director</i>	01/01/2021 31/12/2021	Approval of the 2022 Financial Statements									
(I) Remuneration in the company preparing the financial statements				€ 26.000	€ 89.000					€ 115.000		
(II) Remuneration from subsidiaries and associates				€ 32.400						€ 32.400		
(III) Total				€ 58.400	€ 89.000					€ 147.400		
<i>Notes</i>				(I) Total amount of gross annual remuneration as member of the BoD (II) Total amount of gross annual remuneration as Director of ENERGIA S.p.A.	Remuneration as ARC Chairperson and member of the CRC, ESC and RPT Committees (including attendance fees). Remuneration as EC Chairperson up to 22 March 2021. Remuneration as member of TC starting from 22 March 2021							

Name and Surname	Position	Term in position	End of term	Fixed remuneration	Remuneration for membership of Committees	Variable non-equity remuneration		Non-monetary Benefits	Other remuneration	Total	Fair Value of equity remuneration	Indemnities for resignation or termination of contract
						Bonuses and other incentives	Share of the profits					
<i>Gabriella Chiellino</i>	<i>Director</i>	01/01/2021 31/12/2021	Approval of the 2022 Financial Statements									
(I) Remuneration in the company preparing the financial statements				€ 26.000	€ 45.000					€ 71.000		
(II) Remuneration from subsidiaries and associates												
(III) Total				€ 26.000	€ 45.000					€ 71.000		
<i>Notes</i>				Total gross annual remuneration as member of the BoD	Remuneration as ESC Chairperson and member of ARC							

Name and Surname	Position	Term in position	End of term	Fixed remuneration	Remuneration for membership of Committees	Variable non-equity remuneration		Non-monetary Benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnities for resignation or termination of contract
						Bonuses and other incentives	Share of the profits					
<i>Liliana Godino</i>	<i>Director</i>	01/01/2021 31/12/2021	Approval of the 2022 Financial Statements									
(I) Remuneration in the company preparing the financial statements				€ 26.000	€ 64.000					€ 90.000		
(II) Remuneration from subsidiaries and associates												
(III) Total				€ 26.000	€ 64.000					€ 90.000		
<i>Notes</i>				Total gross annual remuneration as member of the BoD	Remuneration as CRC Chairperson, member of ARC and RPT Coordinator (including attendance fees).							

Name and Surname	Position	Term in position	End of term	Fixed remuneration	Remuneration for membership of Committees	Variable non-equity remuneration		Non-monetary Benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnities for resignation or termination of contract
						Bonuses and other incentives	Share of the profits					
Giovanni Larocca	<i>Director</i>	01/01/2021 31/12/2021	Approval of the 2022 Financial Statements									
(I) Remuneration in the company preparing the financial statements				€ 26.000	€ 55.683					€ 81.683		
(II) Remuneration from subsidiaries and associates												
(III) Total				€ 26.000	€ 55.683					€ 81.683		
Notes				Total gross annual remuneration as member of the BoD	Remuneration as member of the CRC and ESC Remuneration as member of the TC and RPTC (including attendance fees) starting from 22 March 2021							

Name and Surname	Position	Term in position	End of term	Fixed remuneration	Remuneration for membership of Committees	Variable non-equity remuneration		Non-monetary Benefits	Other remuneration	Total	Fair Value of equity remuneration	Indemnities for resignation or termination of contract
						Bonuses and other incentives	Share of the profits					
<i>Alessandro Caltagirone</i>	<i>Director</i>	01/01/2021 31/12/2021	Approval of the 2022 Financial Statements									
(I) Remuneration in the company preparing the financial statements				€ 26.000						€ 26.000		
(II) Remuneration from subsidiaries and associates												
(III) Total				€ 26.000						€ 26.000		
<i>Notes</i>				Total gross annual remuneration as member of the BoD								

Name and Surname	Position	Term in position	End of term	Fixed remuneration	Remuneration for membership of Committees	Variable non-equity remuneration		Non-monetary Benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnities for resignation or termination of contract
						Bonuses and other incentives	Share of the profits					
<i>Galbe Diane</i>	<i>Director</i>	01/01/2021 31/12/2021	Approval of the 2022 Financial Statements									
(I) Remuneration in the company preparing the financial statements				€ 26.000						€ 26.000		
(II) Remuneration from subsidiaries and associates												
(III) Total				€ 26.000						€ 26.000		
<i>Notes - resigned on 25/02/2022</i>				Total amount of gross annual remuneration as member of the BoD								

Name and Surname	Position	Term in position	End of term	Fixed remuneration	Remuneration for membership of Committees	Variable non-equity remuneration		Non-monetary Benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnities for resignation or termination of contract
						Bonuses and other incentives	Share of the profits					
<i>Maurizio Lauri</i>	<i>Chairperson Board of Auditors</i>	<i>01/01/2021 31/12/2021</i>	<i>Approval 2021 Financial Statements</i>									
(I) Remuneration in the company preparing the financial statements				€ 150.000						€ 150.000		
(II) Remuneration from subsidiaries and associates												
(III) Total				€ 150.000						€ 150.000		
<i>Notes</i>												

Name and Surname	Position	Term in position	End of term	Fixed remuneration	Remuneration for membership of Committees	Variable non-equity remuneration		Non-monetary Benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnities for resignation or termination of contract
						Bonuses and other incentives	Share of the profits					
<i>Pina Murè</i>	<i>Auditor</i>	01/01/2021 31/12/2021	Approval 2021 Financial Statements									
(I) Remuneration in the company preparing the financial statements				€ 100.000						€ 100.000		
(II) Remuneration from subsidiaries and associates												
(III) Total				€ 100.000						€ 100.000		
<i>Notes</i>												

Name and Surname	Position	Term in position	End of term	Fixed remuneration	Remuneration for membership of Committees	Variable non-equity remuneration		Non-monetary Benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnities for resignation or termination of contract
						Bonuses and other incentives	Share of the profits					
<i>Maria Francesca Talamonti</i>	<i>Auditor</i>	01/01/2021 31/12/2021	Approval 2021 Financial Statements									
(I) Remuneration in the company preparing the financial statements				€ 100.000						€ 100.000		
(II) Remuneration from subsidiaries and associates												
(III) Total				€ 100.000						€ 100.000		
<i>Notes</i>												

Name and Surname	Position	Term in position	End of term	Fixed remuneration	Remuneration for membership of Committees	Variable non-equity remuneration		Non-monetary Benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnities for resignation or termination of contract
						Bonuses and other incentives	Share of the profits					
No. 2	<i>Executives with Strategic Responsibilities</i>	01/01/2021 31/12/2021	Continuing contract									
(I) Remuneration in the company preparing the financial statements				€ 581.033		€ 361.599		€ 18.026		€ 960.658		
(II) Remuneration from subsidiaries and associates												
(III) Total				€ 581.033		€ 361.599		€ 18.026		€ 960.658		
<i>Notes</i>						Total amount of the short-term variable incentive (MBO)		Only the taxable portion of non-monetary benefits given				

Table 3B: Monetary incentive plans for the members of the Board of Directors, general managers and other Executives with Strategic Responsibilities

Surname and name	Position	Plan	Bonus for the year			Bonuses for previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
Giuseppe Gola	CEO - Business Development Strategy and Overseas Production Department Manager		(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / Paid	Deferred	Deferment period	No longer payable	Payable/Paid	Still Deferred	
Remuneration in the company preparing the financial statements	MBO Short-term annual incentive plan	€ 289,938	-	-	-	-	-	-	-
	LTIP Medium-long-term triennial incentive plan	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Remuneration from subsidiaries and associates	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total		€ 289,938	-	-	-	-	-	-	-

Surname and name	Position	Plan	Bonus for the year			Bonuses for previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
2 in total	<i>Executives with Strategic Responsibilities</i>		(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / Paid	Deferred	Deferment period	No longer payable	Payable/Paid	Still Deferred	
Remuneration in the company preparing the financial statements	MBO Short-term annual incentive plan		€ 361,599	-	-	-	-	-	-
	LTIP Medium-long-term triennial incentive plan		-	-	-	-	-	-	-
	-		-	-	-	-	-	-	-
Remuneration from subsidiaries and associates	-		-	-	-	-	-	-	-
	-		-	-	-	-	-	-	-
Total			€ 361,599	-	-	-	-	-	-

Scheme No. 7-ter: Overview of the information on the holdings of the members of the Board of Directors and Board of Statutory Auditors, general managers and Executives with Strategic Responsibilities

Table 1: Holdings of the members of the Board of Directors and Board of Statutory Auditors and general managers

SURNAME AND NAME	POSITION	INVESTEE COMPANY	NUMBER OF SHARES OWNED AT 31/12/2020	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES OWNED AT 31/12/2021
Giuseppe Gola	CEO - Business Development Strategy and Overseas Production Department Manager	Acea S.p.A.	No. 4,000	None	None	No. 8,000

Table 2: Holdings of the other Executives with Strategic Responsibilities

NUMBER OF EXECUTIVES WITH STRATEGIC RESPONSIBILITIES	INVESTEE COMPANY	NUMBER OF SHARES OWNED AT 31/12/2020	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES OWNED AT 31/12/2021
None	-	-	-	-	-

GLOSSARY

EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization: is an indicator of profitability indicating the earnings of Acea from everyday management. Its use as an indicator in the Plan provides a good estimation of the operating cash flow generated by Acea, which is an essential value for estimating the Group value and quantifying the entity of the financial resources created and available;

EPS – *Earnings per share*: a measurement of net profit expressed in monetary terms in reference to each individual share. It is one of the most widely used financial market indicators to compare business performance and the potential of the equity investment. The EPS indicates the profitability of individual shares, regardless of whether this profitability consists of dividends or is withheld within the business to finance its development.

ACEA GROUP: indicates the grouping of Companies within the scope of consolidation of Acea S.p.A.;

LINEAR INTERPOLATION: indicates a mathematical method for finding approximately a value between two known values;

LTIP – Long Term Incentive Plan: indicates the medium and long-term variable remuneration component. The plan currently implemented in Acea has a three-year duration;

MBO – Management By Objectives: indicates the variable annual remuneration component awarded for the achievement of predefined annual objectives;

NFP: Net Financial Position: Expresses the amount of debt that is not immediately hedged. It is calculated as the difference between total corporate payables (regardless of maturity date) and liquid assets (cash and cash equivalents, positive current accounts, negotiable securities and financial receivables);

NFP/EBITDA: one of the indicators used to evaluate the ability of a business to meet its debt obligations. It indicates a company's capabilities to repay its debts through operational management;

NFP/NP: one of the indicators used to evaluate the ability of a business to meet its debt obligations. It indicates a company's capabilities to repay its debts through net profit;

GAR: indicates the gross annual fixed remuneration component for those who are dependent employees of one of the Companies in the Group;

TARGET: indicates the level of achievement of the objective that allow to obtain 100% of the defined payout;

TARGET BONUS: indicates the amount of the incentive at the time target objectives are achieved;

NP – *Net Profit*: an indicator of operating performance, calculated as revenues minus operating costs net of amortisation, write-downs and impairments, net financial income (expenses) and taxes.

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