



**2021**

# Corporate Governance



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The Report on Corporate Governance and on the Company's Ownership Structure for the year 2021 ("Governance Report" or "Report"), the Report on the Compensation Policy and on the Fees Paid ("Compensation Report"), the second part of which is reproduced herein, and the By-laws are available on Edison's website at the following address ([www.edison.it](http://www.edison.it) - Our Company - Governance - Governance - Bylaws and Corporate Governance Report).

# Report on Compensation Policy and on Compensation paid in 2021



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# 1. Introduction

## 1.1 Foreword

The Shareholders' Meeting elected the current Board of Directors on 2 April 2019, defining its term of office as covering a period of three fiscal years (2019-2021), i.e. until the Shareholders' Meeting convened to approve the 2021 financial statements. In the course of 2019 and 2020, however, some changes were made due to the changes affecting the offices of the Chairman and the Chief Executive Officer, and the resignation of three directors. Its current composition was defined by the shareholders' meeting of April 28, 2020 which appointed two new directors and confirmed the Chief Executive Officer co-opted by the Board during fiscal year 2019.

Within the scope of its operations, the Board of Directors established a series of committees, including the Compensation Committee, and appointed the respective Chairmen (the "Board Committees"). As explained later in this Report, the compensation of the members of the BoD was determined by the abovementioned Shareholders' Meeting, upon a motion by the controlling shareholder, while that of Directors who perform special functions (Chairman and Chief Executive Officer) and of the members of the various Board Committees and the 231 Oversight Board was determined by the Board of Directors upon proposal by the Compensation Committee and with the input of the Board of Statutory Auditors, in compliance with the Compensation Policy approved by the Shareholders' Meeting of 2 April 2019 as integrated for what concerns the Chief Executive Officer, and that approved by the Shareholders' Meeting of 28 April 2020.

Moreover, the Compensation Committee also submitted its proposal and general recommendations about the compensation policy guidelines for managers, and specifically for Top managers, the members of the Executive Committee reporting directly to the Chief Executive Officer (Comex) composed of the directors of the main business areas of the Group, identified in accordance with the criteria set forth art. 123-ter in Legislative Decree nr. 58 of 24 February 1998 (known as TUF) and also defined as executives with strategic responsibilities (Top Managers).

In consideration of the above, and with the expiration of the term of office of the incumbent BoD with the approval of the 2021 financial statements, with specific reference to the compensation policy guidelines for the current fiscal year outlined under 2.5 in this Compensation Report, the outgoing BoD, with the opinion of the Compensation Committee and the input of the Board of Statutory Auditors, has deemed it appropriate to outline a compensation policy framework for at least 2022. This is considered a useful, preliminary reference for the new corporate bodies taking over the management in the current year, without prejudice to the prerogatives of said new corporate bodies concerning the decision they will take on the matter. Consequently, with regard to the compensation policy for 2022, should the structure outlined in this report come to require an overhaul, the Company reserves the right to inform the markets accordingly by way of statements issued during the fiscal year, after having submitted the proposed amendments to the Related Party Transactions Committee for an opinion, should the conditions for this arise.

## 1.2 Regulatory framework

This Report was developed pursuant to and in implementation of the general regulatory framework of reference on the subject of compensation policy at an EU and national



level, and particularly of the provisions of EU Directive 2017/828 (SHRDII), of Art. 123 ter of the TUF as recently amended by Legislative Decree nr. 49/2019, and it was prepared in accordance with the guidance provided by the Consob on the subject of compensation policies, as of the latest Resolution Nr. 21623 of 10 December 2020, which amended the Issuers' Regulation published by the Consob itself for the purpose of implementing the TUF. In addition, the principles set forth in Article 5 of the Corporate Governance Code for Listed Companies, 2020 edition (the "Code 2020") are adopted as general reference guidelines on compensation policies for this Report (with the specifications indicated below) as well as the recommendations suggested by the Corporate Governance Committee.

### 1.3 Purpose and contents

This Annual Compensation Report provides information aimed at enhancing the knowledge and awareness of shareholders, investors, the market in general, and the Consob with regard to:

#### Section One

- the Company's general policy concerning the compensation of directors, Top managers, and managers more in general, relating to the financial years 2021-2022 and the statutory auditors relating to the financial years 2020-2022;
- how said policy contributes to the development of the corporate strategy, the pursuit of short-, medium-, and long-term interests, and more in general to a sustainable development of the Company from an economic, environmental, and social point of view;
- the conditions on which, under extraordinary circumstances, the established policy can be temporarily waived, and the procedures according to which said waiver can be executed and announced to the stakeholders;
- the governance and procedures applied to define, implement, and assess the implementation of the abovementioned policy in 2021 and to define the proposal for the compensation policy for 2022 and potentially the following fiscal year.

#### Section two

- a detailed and analytical breakdown of the items and amounts that make up the 2021 compensation of each Director, listing fixed and variable cash components, any compensation based on financial instruments - if and where adopted-, the correlation between short/medium/long-term targets and results of the company and the variable components of compensation, non-cash benefits, any equity interests held in the Company or its subsidiaries, as well as any other indemnity or type of compensation stipulated in the event of early termination or scheduled termination without renewal of the appointment to the post held;
- a detailed breakdown of the items and the amounts that make up the 2021 compensation of statutory auditors;
- aggregate information about the items and amounts that make up the 2021 compensation of Top Managers, listing fixed and variable cash components, possible compensation based on the adopted financial instruments-, the correlation between short/medium/long-term targets and results of the company and the variable components of compensation, non-cash benefits, as well as any other indemnity or type of compensation stipulated in the event of the possible termination if not provided for by the applicable work contract and/or by law.

## 1.4 Compliance

This Report on the Compensation Policy and on Compensation paid in 2021 (Compensation Report 2021) drafted by the Company, was approved by the Board of Directors at a meeting held on 16 February 2022 (in consideration of the input provided by the Compensation Committee and the Board of Statutory Auditors); Section One of this Report is being submitted for binding vote to the Shareholders' Meeting convened to approve the financial statement for fiscal year 2021, while section two is being submitted to the abovementioned Shareholders' Meeting for advisory vote.

This Report is included in the *Corporate Governance* document, published together with the Financial Report and the Report on Operations for fiscal year 2021; it will be made available to the market at least 21 days prior to the date of the abovementioned Shareholders' Meeting and is available on the Company's website: [www.edison.it](http://www.edison.it) under Governance.

This Report is structured, in accordance with the guidelines provided in the abovementioned Article 84-quater and conforms to Annex 3A, Form 7-bis and Form 7-ter, as cited in said Article.

### Waivers

Under exceptional and unforeseeable circumstances, in order to ensure market competitiveness and/or preserve the Company's economic sustainability, the compensation policy as submitted to the Shareholders' meeting can be waived, while still complying with the Related Party Procedure adopted by the Company with regard to the regulation of compensation. The Company shall make sure to provide evidence backing said waivers, if and when relevant, by giving due announcement to the market during the course of the fiscal year.

## 2. Section One

### 2.1 Governance

The corporate governance bodies and the individuals involved in managing the compensation of Directors, Top Managers and Statutory auditors are:

- The Shareholders' Meeting, which defines the annual compensation of the Board of Directors relative to the duration of each term of office and, consistent with Article 123-ter of the TUF, must cast a binding vote with regard to the first section of the Compensation Report prepared by the Board of Directors and submitted to the Shareholders' Meeting in connection with the approval of the annual financial statements, as well as an advisory vote with regard to the second section of the report.
- The Board of Directors, which decides how the compensation awarded by the Shareholders' Meeting should be allocated among its members, unless already defined by the Shareholders' Meeting, and defines the compensation guidelines indicated in the Report prepared annually by the same and approved by the Shareholders' Meeting. Based on, and consistent with the guidelines set forth in the Compensation Report, the Board of Directors determines the compensation for Directors part of the Committees established by the Board of Directors and the structure and amount of the compensation of any

type for Directors who perform special functions (Chairman and Chief Executive Officer), Determines also the reference targets with which the variable annual component of the Chief Executive Officer is correlated, both upon definition and verification, as well as any other medium/long-term incentive plans, including those benefitting the Company's management. In performing this task, the Board of Directors is supported by the Compensation Committee, which submits recommendations regarding compensation issues, and where needed by the Related Party Transaction Committee, and adopts its resolution after hearing the input of the Board of Statutory Auditors.

- The Chief Executive Officer, who is entrusted by the BoD with the operational implementation of decisions made in matters concerning compensation for Top Managers and managers by way of coordinating and controlling the corporate departments reporting to the CEO themselves, in compliance with the guidelines included in the Compensation Report. The CEO also monitors the correct implementation of said decision, by leaning on the Compensation Committee for support.
- The Compensation Committee, established by the Board of Directors, which also defined the Committee's functions (see the 2021 Report on Corporate Governance for additional information) and approved its operating regulations. In the performance of its functions, the Committee relies on the operational support of the Human Resources and Organization Department and, when deemed appropriate, the support of qualified external consulting companies different from those normally used by the Company's management. The committee also expresses an opinion on temporary waivers to the compensation policy, when allowed and under exceptional circumstances.
- The Related Party Transactions Committee, (see the 2021 Report on Corporate Governance for additional information) which expresses an opinion upon request of the Compensation Committee on the compensation of directors entrusted with special duties and of managers with strategic responsibilities, in the event that the conditions set forth in art. 13, paragraph 3, letter b of the Consob regulation on third party transactions are not fulfilled, as well as on temporary waivers to the compensation policy.
- The Board of Statutory Auditors, which performs the functions assigned to it pursuant to Article 2389, Section 3, of the Italian Civil Code. In order to effectively perform these functions, its Chairman and/or other Statutory Auditors attend the meetings of the Compensation Committee as invited member(s) and can also attend the meeting of the Related Party Transactions Committee.
- The Corporate management, which supports the activities of the Compensation Committee with general secretarial service (provided by the Corporate Affairs & Governance Department, which performs the same function with respect to the Board of Directors) and supplies the information and data needed to analyze the issues under discussion (provided by the Human Resources and Organization Department), by attending Committee meetings upon request and invitation by the Committee itself.

## 2.2 Approval process of the Directors' compensation

With reference to the compensation of the current Board of Directors, which, with the clarifications indicated in the Foreword, was appointed by the Shareholders' Meeting of 2 April 2019, for a term of office ending with the Shareholders' Meeting convened to approve the financial statements for fiscal year 2021. The compensation of the members of the Board of Directors was established by the Shareholders' Meeting for a three-year period at a gross annual amount of €50,000 for each Director, plus a gross attendance



fee of €1,800 for each meeting of the Board of Directors attended by a Director. The resolutions of the Shareholders' Meeting were adopted upon a motion by the controlling shareholder, consistent with the amounts applied to the previous Board of Directors.

Subsequently, at the meeting of 3 May 2019, the Board of Directors, having obtained the opinion of the Compensation Committee and that of the Board of Statutory Auditors, in line with the compensation policy submitted to the assembly in 2019 and in consideration of the reference benchmarks, passed resolutions on:

- the compensation for members of the Board's Committees (Control and Risk Committee; Compensation Committee, and Related party transactions Committee) and the 231 Oversight Board, to be in place throughout the length of the term of office;
- the compensation of the Chairman and the Chief Executive Officer, for the year 2019 only.

Following the changes occurred with effect from 1 July 2019 within the Board of Directors and in particular concerning the Chairman and Chief Executive Officer, the Board of Directors convened on 13 February 2020, having obtained the opinion of the Compensation Committee and where necessary also of the Related Party Transactions Committee as far as it is concerned, and having obtained the opinion of the board of Statutory Auditors, defined the structure and the amount of the compensation of the Directors performing special functions, to be valid until the expiry of the current term of office, i.e. the approval of the financial statements for fiscal year 2021. Said changes were outlined in the Compensation Report approved by the Shareholders' Meeting on 28 April 2020.

## 2.3 Compensation policy: purpose and general principles

The fundamental purpose of the Company's general compensation policy is to attract and retain the best resources to foster the Company's growth in its market sector, acknowledge the responsibilities assigned to them, motivate them to work towards both short, medium, and long-term goals aimed at creating sustainable value for all internal and external stakeholders in compliance with the official risk management policy, and reward them for their achievements.

When defining a compensation policy, the following factors are usually taken into account:

- the main features of the compensation policy applied during the previous year;
- the overall macroeconomic scenario and current trends, specifically with regard to the labour market;
- trends in the compensation and remuneration area with regard to large companies that operate in the domestic and European market and their competitive positioning in terms of the compensation policies adopted by the company, with special emphasis on the Italian energy sector; the company usually refers to surveys and reports on compensation and benefits in Italy released by a specialized external firm, in the comparison with the panel of companies represented in them;
- the Company's current financial situation, its short-term and medium-term objectives and the challenges posed by the medium/long-term strategies defined in the Company's plan for the period;
- the general targets established on the subject of compensation policies by the EU and International ESG (Environmental, Social & Governance) standards, as specifically adopted by the Company in the Non-Financial Statement Document.

For the purpose of analysing market trends and benchmarking vis-à-vis the market of the competitiveness of the Company's policies and the compensation of managers, with reference to the compensation of the members of corporate bodies and to the

compensation of managers more in general, besides the benchmarks typically used by the Company, the Compensation Committee can consider on each occasion whether it should secure, at the Company's expense, the support of qualified external consulting companies different from those normally used by the Company's management. The Committee availed itself of this option as it was outlining the structure and the amount of the compensation applied to all the members of the Board Committees, of the directors performing specific functions (Chairman and CEO), as well as the 231 Oversight Board.

## 2.4 Structure, composition and development of the compensation policy: fiscal year 2021

### Structure of Compensation

Taking into account the general purposes stated above, in 2021 the compensation policy was developed based on the reference principles and guidelines defined by the Board of Directors on 17 February 2021 after consulting the Compensation Committee, and having obtained the opinion of the Board of Statutory Auditors. The guidelines and principles of the Compensation policy for 2021 are included in the Compensation Report approved by the Shareholders' Meeting on 31 March 2021.

In general, and particularly with regard to the members of the governance bodies of the company, the compensation policy, which was not amended during 2021, was developed in accordance with the following principles and guidelines:

- The compensation of non-executive Directors, established in 2019 for the duration of the three-year term of office, is commensurate with the required level of commitment and takes into account any service on Board Committees. It is comprised of a predetermined fixed gross annual amount and an attendance fee for each meeting of the Board of Directors or one of the Committee attended by a Director. For members of the various Committees, the Board awarded the same compensation to each Committee member starting from 2019. Said compensation was updated vis à vis the previous term of office, based on the evidence emerging from the external benchmark taken into consideration by the Compensation Committee. Committee Chairmen receive a higher compensation than the other members, consistent with market practice. Said compensation has been established for the entire duration of their term of office. No variable compensation tied to corporate results is provided in any form;
- For Directors entrusted with special functions (Chairman and Chief Executive Officer), the cash compensation is structured as follows: a fixed gross annual component and, exclusively for Directors to whom management authority and operational control are being delegated (the Chief Executive Officer), a variable gross annual component; the Chief Executive Officer has also been allocated a variable medium-to-long-term component for the 2019-2021 term of office, like some select Top managers, managers, and middle managers of the Company;
- The fixed gross annual compensation must be commensurate with the level of responsibility entailed by the function performed and large enough to ensure that the economic package will be sufficiently competitive, even if no variable annual component is disbursed.

With regard to the year 2021, taking into account the principles and general criteria presented in Section 2.2 above, the current Board of Director, with the approval of the Compensation Committee and with the input of the Board of Statutory Auditors, has deemed it unnecessary to alter the amounts of the compensation of the Directors as defined during the previous fiscal year. They have thus been confirmed for the remainder

of the term of office. The BoD has therefore solely set the goals that will act as the basis for the annual variable component of the compensation for the Chief Executive Officer and as the benchmark for the goals to be pursued by the Top Managers and the entire corporate management.

The following paragraphs provide an outline of the structure of the compensation of the abovementioned individuals.

## Chairman Compensation

- The compensation of the Chairman consists of a single fixed component, whose amount was cut by 12.5% in 2019, vis à vis the previous term of office. As expressly requested by the Chairman, this component and all other compensation provided for serving as a Director are paid by Edison Spa directly to its Parent Company EDF SA. No modifications were made in 2021 to what had been established at the beginning of the three-year term of office.

## CEO Compensation

- The compensation of the CEO was redefined in its structure and amount in 2020, and with regard to fiscal year 2021 in consideration of the revision in the corporate economic and financial risk profile as well as in the asset portfolio as a result of the expected transfer of the E&P assets, as well as the ensuing new positioning of this post based on benchmarks with the market. Against this backdrop, the overall amount was reduced by 30% vs the previous three-year term of office, and it has been restructured into three components: fixed gross annual compensation, variable gross annual compensation (MBO), and a new, medium-term variable cash component (three-year LTI, 2019-2021, similarly to what defined for Top managers and middle managers benefitting from an LTI.)
- Moreover, the CEO is entitled to receive, from the Company he is employed by (parent company Transalpina di Energia S.p.A.), benefits similar to those applied to the managers of the Edison Group.
- As a result, the structure of the compensation of the Chief Executive Officer and the impact of each component on the overall annual compensation is the following: fixed gross annual compensation around 60%, variable gross annual compensation (MBO) at target value around 25%, and variable cash medium-term component (LTI) with annual quota at target value 15%.
- The variable gross annual compensation of the Chief Executive Officer is predetermined based on a target value (100%) and a minimum and maximum economic value equal to 75% and 125%, respectively, of the target value and is predicated on the achievement of annual economic-financial, industrial and commercial targets and of targets connected in a more general way to sustainability parameters that are conducive to the strategic development of the company. Said goals are predefined and measurable, and they are assigned by the Board of Directors, further to a recommendation by the Compensation Committee and with the input of the Board of Statutory Auditors.

## Top Management Compensation

- For all management, including Top Managers, the general guidelines of the compensation policy were confirmed for fiscal year 2021. Compensation is divided into three components (fixed compensation, short-term variable compensation and, for Top Managers and for a selected group of managers a medium-long term variable compensation is also applied - LTI program - cycle 2019-2021).

- As a result, the structure of the compensation of the Top Managers and the impact of each component on the overall annual compensation is the following: fixed gross annual compensation ca. 65%, variable gross annual compensation (MBO) at target value ca. 20%, and variable cash medium-term component (LTI) with annual quota at target value ca.15%.
- The variable gross annual compensation of Top Managers is predetermined based on a target value (100%) and a minimum and maximum economic value equal to 75% and 125%, respectively, of the target value and is predicated on the achievement of annual economic-financial, industrial and commercial targets and of targets connected in a more general way to environmental and social sustainability parameters that are conducive to the strategic development of the company. Said goals are predefined and measurable, the 60/70% of these goals are the same assigned by the Board of Directors to the CEO, the remaining percentage is assigned by the CEO based on the individual responsibilities of each Top Manager.

As a rule, the compensation defined for the Chief Executive Officer and for all company employees is deemed to include all compensation that may result from any assignments performed on behalf of and in the interest of the Company, in subsidiaries and/or other investee companies, as well as associations, entities, and foundations.

### **Variable targets for the CEO in 2021 and benchmark for Top Management and Management**

For 2021, taking into account the ongoing extraordinary conditions of the external context induced by the pandemic, the following goals have been assigned:

- economic and financial targets, with a combined weight of 45% (measured by way of indicators based on Ebitda, cash flow, and the trend in operating expenses);
- operating and management targets, with a combined weight of 35% (consisting of the development of the new-generation, high-efficiency, low-carbon thermoelectric fleet, development of generation from renewable sources in terms of installed MWs and commissioning of the new LNG coastal terminal, and development of the Energy Services market and of the end-user market;
- social targets, with an overall weight of 10% referring to the occupational injury rate, both for Company employees and employees of third party companies working for the Company, and to the level of engagement of the corporate staff and the level of managerial leadership, measured through a dedicated survey carried out among the employees by a qualified external company;
- finally, this basket of annual targets rounded out, like in the previous years, with the addition of a strategic development target, whose evaluation was to be based on the opinion expressed through the Board of Directors for a qualitative assessment. However, due to the current situation, its weight was reduced to 10%. The Board has taken into special consideration the work and the achievements of the management team, also considering the impact of the overall corporate performance on the medium- and long-term corporate growth and sustainability prospects.

The assigned operational, management, and social targets also include targets that contribute to reaching the ESG targets taken on by the Company and expressed in the Non-Financial Statement.

The abovementioned general targets, entrusted to the Chief Executive Officer, also represent the benchmark for the common annual objectives for the Company's Top management and its managers in general, supplementing specific area and/or personal targets. Taking into account the current specific external context vis à vis the previous fiscal years, like in 2020,

the weight of the common corporate objectives for the company's management has been raised by 10%. As a result of this decision, the common corporate objectives have therefore acquired a 70% incidence on the overall targets assigned to the Top Managers, and a 30 to 40% incidence on overall targets for management in general for 2021 as well.

### Performance results of fiscal years 2021

The economic and financial results, and the overall performance achieved by the company over the course of fiscal year 2021, was remarkable and beyond budget both in terms of the impact on the fiscal year and of potential reflecting on the company's medium- to long-term growth and development prospects. This was achieved in an overall favourable, albeit complex and unpredictable external context which remains influenced by the pandemic emergency. With regard to the results achieved on the common objectives assigned for fiscal year 2021 to the Chief Executive Officer, the Board of Directors meeting of 16 February 2022, upon a recommendation by the Compensation Committee and with the input of the Board of Statutory Auditors, has reviewed the data and concluded that the overall performance level to be considered in payout quantification is 114%; said percentage performance value will also be used as a reference for the quota of common objectives related to the 2021 MBO of Top managers and all managers, according to the applicable evaluation scale.

### End of 2019-2021 Long-Term Incentive cycle

Fiscal year 2021 marked the conclusion of the cash incentive plan (LTI) from which the Chief Executive Officer, the Top managers and a restricted number of senior managers and high potential young managers benefitted between 2019 and 2021, defined by the Board of Directors of 13 February 2020 for the CEO, integrating the resolutions previously taken by the Board of Directors for the Top managers and select senior managers. Overall, the plan involved 88 people, relevant for corporate development and growth in a medium- to long-term horizon.

The abovementioned LTI scheme included medium-term reference objectives such as economic and financial targets, as well as targets related to the key drivers of the company's strategic development in the medium to long term, related to the expansion of the commodity trade portfolio, to the development of energy efficiency, and to the development of power generation from renewable sources, also leveraging industrial, commercial, and skills synergies expressed through the international group the company is part of. The values underpinning said objectives in the Medium Term Plan approved by the Company's Board of Directors for the plan's reference time frame had been taken as measurement parameters.

The results achieved by the 2019-2021 LTI Plan related to the objectives assigned, showed an overall performance level of 98% on a 0-120% scale. The cost of the plan related to the pay-out paid in 2022 to the beneficiaries of the plan was allocated pro-quota to fiscal years 2019-2021.

No monetary and/or equity incentive instruments were granted to the Chairman and other Directors.

### Claw back clauses

No claw-back clauses have been introduced concerning the short-term variable component for executive Directors and Top Managers, in consideration of the contractual employment relation existing between the executive directors in office, the Top

Managers and the companies representing the shareholding structure, as a result of the rigorous assessment and monitoring process of the results achieved with regard to the variable component, carried out by the Company and verified by bodies independent of management. Moreover, the relatively low impact of said variable component in terms of absolute value must also be taken into consideration, as well as the rare occurrence of this practice on the market, except in specific sectors (such as banking and insurance) which are different from those where the company operates and competes.

## Benefits and Indemnities

As mentioned above, with regard to special benefits allocated to the Chairman, considering the responsibilities of his post and the operational modalities with which he performs his duties, no special benefits are being provided to the Chairman; as for the benefits provided to the current Chief Executive Officer, being an employee of the parent company in secondment for the holding, the same benefits applied by Edison to all its employees are applied, as outlined below. All members of the Board of Directors and of the Board of Statutory Auditors benefit from specific corporate insurance policy for third party liability.

The Company's benefit policies common to all managers also apply to Top Managers with strategic responsibilities. These policies specifically provide for the award of a company car both for business and personal use, specific pension and health care coverage, insurance for work-related and non-work-related accidents and illness, and life insurance. The maximum insurable amounts covered by these policies are higher than those required currently by the relevant collective bargaining agreement, and are compared with the market of comparable companies by means of specific benchmarks provided by specialized external companies.

The Company is not a party to any agreements with Directors, including the Chief Executive Officer, calling for the payment of special indemnities in the event of resignation or termination of the appointment/assignment for any reason and/or cause, or if he/she is removed from office due to a tender offer or if the appointment/assignment is not renewed upon its scheduled expiration, also in the light of the fact that the people with executive offices are at the same time working for the companies that make up the company's shareholding structure -except independent directors. Said professional relations are regulated by specific individual employment contracts, which for what concerns the continuity of the relations are formally separate from and independent of any corporate assignments and their cessation. This profile is equally relevant for the executives of companies that are part of the shareholding structure who may be asked to perform executive duties in the Board of the Company and/or of subsidiaries and associates, including Top managers.

## Implementation of the 2021 compensation policy for the management team

During fiscal year 2021, the compensation policy applied to the Company's entire management has unfolded along the guidelines that were approved and outlined in the 2020 Compensation Report, submitted to the Shareholders' Meeting on 31 March 2021. Over the course of fiscal year 2021, said policy totalled an overall expenditure in wage costs connected with the structural components of compensation equal to 2.2% of the total reference wage and salaries amount, in line with the approved guidelines.



## Succession Plans

The Board of Directors has not deemed it necessary to provide for specific succession plans for Directors performing executive duties, in consideration of, among other things, the current shareholding structure and the ample availability of managerial resources within the International Group of the majority shareholder. These elements are deemed sufficient to determine that it is not strictly necessary to identify specific possible replacements beforehand. However, the reference processes and criteria used within the Group, with specific reference to the succession plans for the Directors performing executive duties are currently being assessed by the Compensation Committee and will be submitted to the Company's Board of Directors. For what concerns the succession plans for Top managers and managers holding relevant posts, they are managed by the Company's management team within a dedicated internal process and are updated on a regular basis.

## 2.5 Compensation policy orientation and guidelines for 2022

In consideration of what is mentioned in the last paragraph of the foreword to this document, the outgoing Board of Directors, acting further to a favourable opinion by the Compensation Committee and with the input of the Board of Statutory Auditors, developed the following framework and guidelines for the current year.

- General macro-economic scenario: 2021 was, like 2020, characterized by the unforeseen and extraordinary impact of the pandemic emergency, but also by a recovery across all major macro-economic indicators. This has translated into a rebounding GDP (around 6%), back to a positive trend after the collapse of 2019 (-4.5%) and of 2020 (-9%). The general scenario for 2022 is characterized by a high degree of uncertainty and unpredictability: the ongoing pandemic, growing geopolitical tensions in hot spots such as Ukraine, the shortage of some digital production components that jeopardizes the recovery of several relevant large-scale consumer goods production industries (e.g. automotive and hi-tech), the widespread increase in production and transport costs, and particularly in the EU the remarkable rise in energy product prices, which has significant repercussions on industrial production and end users. The economic scenario will also pave the way for a relevant uptake of the inflation after several years of stagnation and near-deflation. This scenario will also impact wage trends: in the Western European market, inflation is confirmed to be on the rise in 2022, which will have an impact on the wage dynamics, which are expected to grow against 2021 (where the average increase in real salary was 2.1%).
- Within the framework of this economic scenario, in 2021 Italy recorded a significant rise in the economic and industrial indicators, placing the country among the best performing in the EU. These figures were much above market expectations and were driven chiefly by exports as well as by a recovering internal demand, particularly in industries such as construction, as well as its satellite activities. The recovery was also helped by the passing of specific regulations (such as the so-called Superbonus 110%, a measure to incentivize home renovations.) Within this context, the Italian GDP is expected to be over 6%. On the overall labour market, the number of employed people is on the way to recovering the contraction of 2020, particularly in clerical jobs, while recording a slight growth with regard to employees with higher qualifications (middle and senior managers.) However, the growth dynamic of managerial salaries in 2021 remained fairly low (+1.2%) at a general market level, due to moderate salary

policies implemented starting from the second half of the year, among other factors. Nevertheless, the general market context, showed signs of significant growth in inflation and an increase in the rate of voluntary turnover, especially from the second half of 2021, particularly young people and people with higher educational and professional qualifications. These signs lead to expectations for 2022 of increasing dynamism and tension in the labour market, although the overall framework will still be characterized by significant uncertainty, instability and volatility.

- On the other hand, in this general context, the impact of the pandemic emergency on the Italian energy sector has highlighted the industry's resilience in economic and operational terms for all its major operators. After the pandemic-induced drop in consumption in 2020 (electricity consumption down 5.3%, gas consumption down 4.1%), domestic demand returned to pre-pandemic levels in 2021, but in a context of skyrocketing energy commodity market prices and absolute values much higher than in the last decade, because of the rise in gas prices on international markets, within a framework of equally exceptional volatility. The economic scenario was mostly favourable for all major economic macro-indicators and supported the economic performance of the main operators in the industry, which was overall pretty good. The favourable general situation for the Italian energy utilities sector is also confirmed in a medium-to long-term forecast framework, supported by the new carbon neutrality-oriented energy policies at EU level and in Italy, which lead to medium-long term scenarios characterized by a growing intensity of electricity consumption, while considering the impact of energy-efficiency boosting measures. These prospects have created the conditions for the launch of a significant new cycle of investment and development in the electricity sector, significantly above the levels of the last decade, with a view to supporting in particular initiatives and projects for the generation of renewable and low-carbon electricity, new methods of producing and storing electricity (e.g. pumping, hydrogen and batteries), new sustainable mobility models, and the efficient energy use, particularly in public and private buildings, innovation of processes and solutions through the adoption of new digital technologies.
- The abovementioned scenario in the electricity sector confirms the dynamic trend of the labour market in this sector that was recorded in the 2 years prior to the pandemic emergency, and makes for reasonable forecasts for possible further developments, driven by the remarkable investment plans that have been announced by major operators and by the growing interest and willingness of international investment funds to invest in this sector in Italy.

In particular, the transformation of the electricity sector, strengthened and sped up by the financial resources injected by Next Generation EU, will result in increased interest and dynamism in the labour market in this sector, particularly in terms of profiles with skills that are conducive to the development of initiatives and projects consistent with the guidelines of action established by the European and national programmes, and for professionals who are highly skilled in the new digital skills conducive to supporting the current overhaul of the sector and the innovation of the solutions offered on the market.

- Within said market scenario, the current general trends of compensation policies for managers employed in medium-sized and large companies in this industry, acquired by means of the systematic surveys the company receives from specialized external companies (Korn Ferry - HAY Group), have recorded a 2% increase in managerial compensation, higher than the Italian general market average (+1.2%), which confirms the trend that emerged the previous year.

As for 2022, within the general macro-economic framework outlined above, Directors and Top managers on the general Italian market can expect an increase in the compensation dynamic (about 2.4% in the fixed gross annual component), while the forecasts for the energy sectors are around 2.9%, in line with the trend of the previous two years.

These forecasts and values in the compensation growth dynamic factor in the effects of the meritocratic salary policies adopted by the companies and of the automatic contractual adjustments for seniority for Directors and Top Managers with an employed work contract.

- Within the framework of the compensation dynamic outlined above, and in line with the practice implemented in previous years, in 2021 Edison adopted a moderate salary policy, particularly with regard to the Directors and Top managers, and a more competitive salary policy in comparison with the market for young managers and resources with a high growth potential but not yet entrusted with managerial responsibilities. Edison pursues the goal to implement a salary policy that focuses on enhancing its talents and protecting them from the market, particularly middle managers and young managers in key organisational positions with a high potential for development and enhancement of skills that are relevant to the company. Moreover, the company aims to maintain a balanced, sensible, and fair salary dynamic between the company's Top managers, managers, and the corporate population in a broader sense. As far as this profile is concerned, the ratio between the average gross annual compensation of all the employees of the company and the Top managers, including the CEO, is equal to a parameter of about 8X.

The company's salary policy is also integrated by a competitive benefits package for all managers and employees of the company, and by a corporate contractual welfare scheme the company is currently enhancing and extending to the employees of recently acquired companies.

- Consequently, with regard to the policy of the compensation for the current fiscal years, after hearing the advice of the Compensation Committee and the input of the Board of Statutory Auditors, in consideration of the general context characterized by a high degree of uncertainty, as well as of the opportunity to ensure continuity with the salary policies implemented in the past few years, of the salary dynamics projections, the outgoing Board of Directors has developed and defined the following guidelines with specific reference to fiscal year 2022:
  - with reference to the compensation for the directors and members of the Committees set up within the Board of Directors, a remuneration policy in substantial continuity with that implemented in the last three years;
  - with reference to the remuneration of the Chairman and the Chief Executive Officer, its current structure and value are deemed adequate;
  - as far as the compensation policies of the Top Management and management are concerned, taking into account the salary policy forecasts expressed by the abovementioned market analyses and the general economic framework, it is deemed appropriate to adopt a budget for 2022 for the salary policy on the gross annual fixed monetary component equal to 2.4% slightly higher than that adopted in the previous year (2.2%) within the framework of a more dynamic market with significantly higher inflation. This policy is substantially in line with general market forecasts, slightly more cautious than the energy sector. Like in the past two years, however, the development and implementation of this policy may take into account the evolution of the pandemic, which is still ongoing.

Moreover, with regard to Top Managers and a restricted group of young managers with skills relevant to the Company's development, in order to preserve the competitiveness of their overall economic package, particularly when compared with comparable companies in the energy industry in Italy, and at the same time implement a preventive retention policy, it is recommended that a new LTI cycle be launched for the three-year period 2022-2024, ideally reflecting the Company's main strategic development objectives, including a set of ESG targets relevant to the Company.

- As far as the 2022 targets for the variable, short-term component (MBO) of the Chief Executive Officer are concerned, it is also deemed appropriate to confirm the general structure of a panel to include economic and financial targets as well as industrial, commercial operating targets, and social targets (including ESG targets), geared towards performance sustainability and corporate growth in the medium- to long term. This structure and panel of targets are also part of the common corporate targets for Top management and corporate management at large. However, the set of targets should be readjusted as a whole, after the two-year pandemic crisis led to the decision to increase the relative weight allocated to the common targets, so as to go back to a more balanced distribution of weights by reducing the weight allocated to the shared corporate targets and increasing the incidence of the area/division-level targets as well as of the individual targets.

## 2.6 Policy orientations and guidelines for the board of Statutory Auditors

The compensation of the Board of Statutory Auditors currently in office was established by the assembly on 28 April 2020, based on the indication of the controlling shareholder Transalpina di Energia S.p.A., who confirmed the fixed annual remuneration of € 75,000 gross for the Chairman and € 50,000 gross for each statutory auditor assigned for the previous term. The shareholders' meeting of 28 April 2020 also attributed an attendance fee of € 1,000 for the Chairman of the Board of Statutory Auditors, and € 750 for each of the other two standing auditors, for each meeting of the Board of Statutory Auditors or one of the Committees established in 'area of the Board of Directors in which each of them takes part.

The compensation is to be deemed commensurate with the level of engagement required, the relevance of the position, and the size and scope of the Company.

Said compensation is defined and remains valid throughout the entire period of the office of the Board of Statutory Auditors, or until the meeting for the approval of the 2022 financial statements.

## 3. Section Two

### FIRST SECTION

Regarding the structure and organization of the various components of the remuneration for Directors and executives with strategic responsibilities, as well as the correlation of the variable components with the assigned objectives and company results, please refer to Section One of the Report, Paragraph 2.4.

## Comparison data

Here below are provided comparison data between the annual change:

- the total compensation of the Directors and Statutory Auditors;
- the Group's expressed in terms of EBTDA, EBIT, Profit (Loss) for the year attributable to the owners of the parent and Net financial debt ;
- the average compensation of Group's employees.

First and last name	Post held	Period during which the post was held		Total compensation 2021 (in thousands euros)	% change	Total compensation 2020 (in thousands euros)	% change	Total compensation 2019 (in thousands euros)
<b>Directors in office at December 31, 2021</b>								
Marc Benayoun	Chairman	In office in 2019, 2020 and 2021	(f)	420	0.48	418	-51.68	865
Nicola Monti	Chief Executive Officer	In office from 06/19/2019, in 2020 and 2021	(g)	1,166	(h) 47.97	788	18.67	664
Béatrice Bigois	Director	In office in 2019, 2020 and 2021	(f)	88	29.41	68	-4.23	71
Paolo Di Benedetto	Director	In office in 2019, 2020 and 2021	(h)	234	4.00	225	-4.26	235
Fabio Gallia	Director	In office in 2019, 2020 and 2021	(h)	145	2.11	142	15.45	123
Angela Gamba (c)	Director	In carica dal 28/04/2020 e 2021	(h)	183	45.24	126	-	-
Xavier Girre	Director	In office in 2019, 2020 and 2021	(f)	62	-28.74	87	26.09	69
Jean-Bernard Lévy (d)	Director	In office in 2019, 2020 and 2021	(f)	54	-11.48	61	-75.60	250
Florence Schreiber (c)	Director	In office from 04/28/2020 end in 2021	(f)	96	54.84	62	-	-
<b>Total compensation of Directors</b>				<b>2,448</b>	<b>23.82</b>	<b>1,977</b>	<b>-13.18</b>	<b>2,277</b>

<b>Statutory Auditors in office at December 31, 2021 (e)</b>								
Serenella Rossi	Chairman Board Stat. Audit.	In office in 2019, 2020 and 2021		105	16.67	90	20.00	75
Lorenzo Pozza	Statutory Auditor	In office in 2019, 2020 and 2021		71	16.39	61	22.00	50
Gabriele Villa	Statutory Auditor	In office in 2019, 2020 and 2021		71	16.39	61	22.00	50
<b>Total compensation of Statutory Auditors</b>				<b>247</b>	<b>16.51</b>	<b>212</b>	<b>21.14</b>	<b>175</b>

(a) Confirmed as Director by the Shareholders' Meeting on April 2, 2019 and as Chief Executive Office by the Board of Directors on the same day; the position was renounced effective as of July 1, 2019. Elected to the position of Chairman by the Board of Directors on June 19, 2019, effective as of July 1, 2019 after Jean-Bernard Lévy renounced the position.

(b) Confirmed as Director by the Shareholders' Meeting on April 28, 2020 and as Chief Executive Officer by the Board of Directors on the same day. Coopted, previously to the position of Chief Executive Officer by the Board of Directors on June 19, 2019, effective as of July 1, 2019 after Marc Benayoun renounced the position.

(c) Elected by the Shareholders' Meeting of April 28, 2020.

(d) Confirmed as Director and Chairman by the Shareholders' Meeting on April 2, 2019; this latter position was renounced effective as of July 1, 2019.

(e) Elected by the Shareholders' Meeting of April 28, 2020 which also determined the compensation.

(f) Compensation paid directly to the EDF Sa company and not to the person himself.

(g) Compensation paid directly to Transalpina di Energia Spa (Company which employs the CEO) and not to the person himself.

(h) Included variable compensation for the 2021 of euro 228,000 and compensation for the Three-Year Long-Term Monetary Incentive Plan - Period 2019-2021, for euro 368,000.

Group results	2021 (in millions of euros)	% change	2020 (in millions of euros)	% change	2019 (in millions of euros)
EBITDA	989	44.59	684	13.62	602
EBITDA	466	94.98	239	37.36	174
Profit (Loss) for the year attributable to the owners of the parent	413	n.s.	19	n.s.	-436
Net financial debt	104	-80.00	520	0.78	516
<b>The average compensation of Group's employees (in euros)</b>	<b>52,462</b>		<b>51,610</b>		<b>52,472</b>

## SECOND SECTION

### 3.1 Schedule of the Compensation of Directors, Statutory Auditors and Executives with Strategic Responsibilities

The schedule that follows lists in detail the compensation that Directors, Statutory Auditors and Executives with Strategic Responsibilities, including those whose term of office ended during the year, earned in 2021 for any reason and in any form, attributable to the Company and its subsidiaries and affiliated companies at December 31, 2021.

#### Reference period: January 1, 2021 to December 31, 2021 (in thousands euros)

Beneficiary	Description of post and term of office			Fixed compensation	Compensation for serving on Committees	
	First and last name	Post held	Period during which the post was held			End of term of office (*)
<i>Directors in office at December 31, 2021</i>						
Marc Benayoun (a)	Chairman	01.01.21	12.31.21	12.31.2021	420	-
Nicola Monti (b)	Chief Executive Officer	01.01.21	12.31.21	12.31.2021	570	-
Béatrice Bigois (c)	Director (g)	01.01.21	12.31.21	12.31.2021	66	22
Paolo Di Benedetto (c)	Director (g) (h) (i) (l)	01.01.21	12.31.21	12.31.2021	70	164
Fabio Gallia (d)	Director (g) (i)	01.01.21	12.31.21	12.31.2021	68	77
Angela Gamba (e)	Director (h) (i) (l)	01.01.21	12.31.21	12.31.2021	66	117
Xavier Girre (d)	Director (g)	01.01.21	12.31.21	12.31.2021	57	5
Jean-Bernard Lévy (f)	Director	01.01.21	12.31.21	12.31.2021	54	-
Florence Schreiber (e)	Director (h)	01.01.21	12.31.21	12.31.2021	68	28
<b>Total compensation of Directors in office at December 31, 2021</b>					<b>1,439</b>	<b>413</b>
<b>Total compensation of Directors</b>					<b>1,439</b>	<b>413</b>
<i>Statutory Auditors in office at December 31, 2021 (m)</i>						
Serenella Rossi	Chairman Board Stat. Audit.	01.01.21	12.31.21	12.31.2022	88	17
Lorenzo Pozza	Statutory Auditor	01.01.21	12.31.21	12.31.2022	60	11
Gabriele Villa	Statutory Auditor	01.01.21	12.31.21	12.31.2022	60	11
<b>Total compensation of Statutory Auditors in office at December 31, 2021</b>					<b>208</b>	<b>39</b>
<b>Total compensation of Statutory Auditors</b>					<b>208</b>	<b>39</b>
<b>Total compensation Directors and Statutory Auditors</b>					<b>1,647</b>	<b>452</b>
<b>Executives with strategic responsibilities (n)</b>					<b>2,932</b> (r)	-

(\*) The term of office ends when the shareholders' Meeting approves the financial statements for the year ended on the date shown.

(\*\*) Non-cash benefits refer to insurance policies taken out by the Company on behalf of the beneficiary and to the value of the compensation in kind.

(a) Confirmed as Director by the Shareholders' Meeting on April 2, 2019 and as Chief Executive Officer by the Board of Directors on the same day; the position was renounced effective as of July 1, 2019. Elected to the position of Chairman by the Board of Directors on June 19, 2019, effective as of July 1, 2019 after Jean-Bernard Lévy renounced the position.

(b) Confirmed as Director by the Shareholders' Meeting on April 28, 2020 and as Chief Executive Officer by the Board of Directors on the same day. Coopted, previously to the position of Chief Executive Officer by the Board of Directors on June 19, 2019, effective as of July 1, 2019 after Marc Benayoun renounced the position.

(c) Confirmed as Director by the Shareholders' Meeting on April 2, 2019.

(d) Elected by the Shareholders' Meeting of April 2, 2019.

(e) Elected by the Shareholders' Meeting of April 28, 2020.

(f) Confirmed as Director and Chairman by the Shareholders' Meeting on April 2, 2019; this latter position was renounced effective as of July 1, 2019.

(g) Member of the Control and Risk Committee.

(h) Member of the Compensation Committee.



Variable non-equity compensation		Compensation			Total	Fair Value of equity compensation	End-of-service or employment termination indemnity
		Non-cash benefits (**)	Other compensation				
Bonuses and other incentives	Profit sharing						
-	-	-	-	-	420 (p)	-	-
228 (o)	-	-	368 (t)	-	1,166 (q)	-	-
-	-	-	-	-	88 (p)	-	-
-	-	-	-	-	234	-	-
-	-	-	-	-	145	-	-
-	-	-	-	-	183	-	-
-	-	-	-	-	62 (p)	-	-
-	-	-	-	-	54 (p)	-	-
-	-	-	-	-	96 (p)	-	-
<b>228</b>	-	-	<b>368</b>	-	<b>2,448</b>	-	-
<b>228</b>	-	-	<b>368</b>	-	<b>2,448</b>	-	-
-	-	-	-	-	105	-	-
-	-	-	-	-	71	-	-
-	-	-	-	-	71	-	-
-	-	-	-	-	<b>247</b>	-	-
-	-	-	-	-	<b>247</b>	-	-
<b>228 (s)</b>	-	-	<b>368</b>	-	<b>2,695</b>	-	-
<b>872 (s)</b>	-	<b>136</b>	<b>1,455 (u)</b>	-	<b>5,395</b>	-	-

(i) Member of the Related Party Transactions Committee.

(l) Member of the Oversight Board.

(m) Elected by the Shareholders' Meeting of April 28, 2020 which also determined the compensation.

(n) The figures include all the persons who, during 2021, held the position (12 persons).

(o) Variable compensation for 2021 for the office of Chief Executive Officer.

(p) Compensation paid directly to the EDF Sa company and not to the person himself.

(q) Compensation paid directly to Transalpina di Energia Spa (Company which employs the CEO) and not to the person himself.

(r) Compensation for service as an employee.

(s) Please see Table 3.2 below for details.

(t) Compensation for the Three-Year Long-Term Monetary Incentive Plan - Period 2019-2021. Please see Table 3.2 below for details.

Estimated preliminary amount to be defined after the Board of Directors' meeting of February 16, 2022.

(u) Included compensation for the Three-Year Long-Term Monetary Incentive Plan - Period 2019-2021, for euro 1.356. Please see Table 3.2 below for details.

chedule that follows shows a breakdown of the items “Fixed compensation” and “Compensation for serving on Committees” in the previous schedule.

## Reference period: January 1, 2021 to December 31, 2021 (in thousands of euros)

Beneficiary	Description of post and term of office				Fixed compensation	Detail of Fixed compensation			
	First and last name	Post held	Period during which the post was held			End of term of office (*)	Compensation approved by the Shareholders' Meeting (1)	Attendance fees for Board meetings (1)	Fixed compensation for post held of Chairman (2)
<i>Directors in office at December 31, 2021</i>									
Marc Benayoun (a)	Chairman	01.01.21	12.31.21	12.31.2021	420	50	20	350	
Nicola Monti (b)	Chief Executive Officer	01.01.21	12.31.21	12.31.2021	570	50	20	-	500
Béatrice Bigois (c)	Director (g)	01.01.21	12.31.21	12.31.2021	66	50	16	-	-
Paolo Di Benedetto (c)	Director (g) (h) (i) (l)	01.01.21	12.31.21	12.31.2021	70	50	20	-	-
Fabio Gallia (d)	Director (g) (i)	01.01.21	12.31.21	12.31.2021	68	50	18	-	-
Angela Gamba (e)	Director (h) (i) (l)	01.01.21	12.31.21	12.31.2021	66	50	16	-	-
Xavier Girre (d)	Director (g)	01.01.21	12.31.21	12.31.2021	57	50	7	-	-
Jean-Bernard Lévy (f)	Director	01.01.21	12.31.21	12.31.2021	54	50	4	-	-
Florence Schreiber (e)	Director (h)	01.01.21	12.31.21	12.31.2021	68	50	18	-	-
<b>Total compensation of Directors in office at December 31, 2021</b>					<b>1,439</b>	<b>450</b>	<b>139</b>	<b>350</b>	<b>500</b>
<b>Total compensation of Directors</b>					<b>1,439</b>	<b>450</b>	<b>139</b>	<b>350</b>	<b>500</b>
					Fixed compensation	Compensation approved by the Shareholders' Meeting (4)	Attendance fees for Statutory Auditor meetings (4)		
<i>Statutory Auditors in office at December 31, 2021 (m)</i>									
Serenella Rossi	Chairman Board Stat. Audit.	01.01.21	12.31.21	12.31.2022	88	75	13	-	-
Lorenzo Pozza	Statutory Auditor	01.01.21	12.31.21	12.31.2022	60	50	10	-	-
Gabriele Villa	Statutory Auditor	01.01.21	12.31.21	12.31.2022	60	50	10	-	-
<b>Total compensation of Statutory Auditors in office at December 31, 2021</b>					<b>208</b>	<b>175</b>	<b>33</b>	-	-
<b>Total compensation of Statutory Auditors</b>					<b>208</b>	<b>175</b>	<b>33</b>	-	-
<b>Total compensation Directors and Statutory Auditors</b>					<b>1,647</b>	<b>625</b>	<b>172</b>	<b>350</b>	<b>500</b>

(\*) The term of office ends when the shareholders' Meeting approves the financial statements for the year ended on the date shown.

(a) Confirmed as Director by the Shareholders' Meeting on April 2, 2019 and elected to the position of Chairman by the Board of Directors on June 19, 2019, effective as of July 1, 2019 after Jean-Bernard Lévy renounced the position.

(b) Confirmed as Director by the Shareholders' Meeting on April 28, 2020 and as Chief Executive Officer by the Board of Directors on April 28, 2020.

(c) Confirmed as Director by the Shareholders' Meeting on April 2, 2019.

(d) Elected by the Shareholders' Meeting of April 2, 2019.

(e) Elected by the Shareholders' Meeting of April 28, 2020.

(f) Confirmed as Director and Chairman by the Shareholders' Meeting on April 2, 2019; this latter position was renounced effective as of July 1, 2019.

(g) Member of the Control and Risk Committee.

Compensation for service on the Committees	Detail of Compensation for serving on Committees							
	Honoraria for participating in meetings of the Control and Risk Committee (3)	Attendance fees for meetings of the Control and Risk Committee (3)	Honoraria for participating in meetings of the Compensation Committee (3)	Attendance fees for meetings of the Compensation Committee (3)	Honoraria for participating in meetings of the Related Party Transactions Committee (3)	Attendance fees for meetings of the Related Party Transactions Committee (3)	Honoraria for participating in meetings of the Oversight Board (3)	Attendance fees for meetings of the Oversight Board (3)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
22	17	5	-	-	-	-	-	-
164	23	9	30	5	30	16	40	11
77	30	9	-	-	22	16	-	-
117	-	-	22	5	23	16	40	11
5	5	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
28	-	-	23	5	-	-	-	-
<b>413</b>	<b>75</b>	<b>23</b>	<b>75</b>	<b>15</b>	<b>75</b>	<b>48</b>	<b>80</b>	<b>22</b>
<b>413</b>	<b>75</b>	<b>23</b>	<b>75</b>	<b>15</b>	<b>75</b>	<b>48</b>	<b>80</b>	<b>22</b>

Compensation for service on the Committees	Attendance fees for meetings of the Control and Risk Committee (4)		Attendance fees for meetings of the Compensation Committee (4)		Attendance fees for meetings of the Related Party Transactions Committee (4)		
	17	-	5	-	3	-	9
11	-	4	-	1	-	6	
11	-	4	-	1	-	6	
<b>39</b>	-	<b>13</b>	-	<b>5</b>	-	<b>21</b>	
<b>39</b>	-	<b>13</b>	-	<b>5</b>	-	<b>21</b>	
<b>452</b>	<b>75</b>	<b>36</b>	<b>75</b>	<b>20</b>	<b>75</b>	<b>69</b>	
						<b>80</b>	
							<b>22</b>

(h) Member of the Compensation Committee.

(i) Member of the Related Party Transactions Committee.

(l) Member of the Oversight Board.

(m) Elected by the Shareholders' Meeting of April 28, 2020 which also determined the compensation.

(1) Compensation approved by the Shareholders' Meeting of April 2, 2019.

(2) Compensation approved by the Board of Directors on February 13, 2020.

(3) Compensation approved by the Board of Directors on May 3, 2019.

(4) Compensation approved by the Shareholders' Meeting of April 28, 2020.

## 3.2 Schedule of monetary incentive plans for Directors and Executives with Strategic Responsibilities

Reference period: January 1, 2021 to December 31, 2021 (in thousands euros)

Beneficiary		Plan	Bonuses of the year			Bonuses of previous years			Other Bonuses
First and last name	Post held		Paid/ Payable	Deferred	Deferral period	No longer payable	Paid/ Payable	Still deferred	
Nicola Monti	Chief Executive Officer (from 01.01.2021 to 12.31.2021)	Annual Monetary Incentive Plan 2021 (BoD February 13, 2020 and Bod May 11, 2021)	228 (a)	-	-	-	220 (c)	-	-
		Long Term Monetary, three-year, Incentive Plan - Period 2019-2021 (BoD February 13, 2020)	-	-	-	7	368 (d)	-	-
<b>Total</b>			<b>228</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>588</b>	<b>-</b>	<b>-</b>
<b>Executives with strategic responsibilities</b>									
Compensation in the reporting company		Annual Monetary Incentive Plan 2021	872 (b)	-	-	-	-	-	-
		Annual Monetary Incentive Plan 2020	-	-	-	-	872 (e)	-	-
		Long Term Monetary, three-year, Incentive Plan - Period 2019-2021 (BoD December 7, 2019)	-	-	-	186	1,356 (f)	-	-
Compensation from subsidiaries and affiliates		Annual Monetary Incentive Plan 2020	-	-	-	-	-	-	-
<b>Total</b>			<b>872</b>	<b>-</b>	<b>-</b>	<b>186</b>	<b>2,228</b>	<b>-</b>	<b>-</b>
<b>Total</b>			<b>1,100</b>	<b>-</b>	<b>-</b>	<b>193</b>	<b>2,816</b>	<b>-</b>	<b>-</b>

(a) Variable compensation for 2021. Remuneration paid directly to Transalpina di Energia Spa (Company which employs the CEO) and not to the person.

(b) Variable bonuses for 2021 for eleven executives with strategic responsibilities.

(c) Compensation deferred for the Three-Year Long-Term Monetary Incentive Plan - Period 2019-2021. Remuneration paid directly to Transalpina di Energia Spa and not to the person.

(d) Compensation deferred for the Three-Year Long-Term Monetary Incentive Plan - Period 2019-2021. Remuneration paid directly to Transalpina di Energia Spa and not to the person.

(e) Variable bonuses for 2020 paid in 2021 for eleven executives with strategic responsibilities.

(f) Compensation deferred for the Three-Year Long-Term Monetary Incentive Plan - Period 2019-2021, for ten executives with strategic responsibilities.

### 3.3 Schedule of equity interests held by Directors, Statutory Auditors and Executives with Strategic Responsibilities

The schedule that follows lists the equity interests that Directors, Statutory Auditors and Executives with Strategic Responsibilities, including those whose term of office ended during the year, directly as well as through the children, the spouse, the cohabitant, the children of the spouse and cohabitant and the dependents of the spouse and cohabitant or a through companies they control, nominees or other parties, during the period from December 31, 2020 to December 31, 2021, in Edison and its subsidiaries at December 31, 2021, based on data obtained from the Shareholders' Register, communications received and other available information.

#### Reference Period: January 1, 2021 to December 31, 2021

First and last name	Post held	Investee Company	Number of shares held at the end of the previous year (12.31.2020)	Number of shares bought	Number of shares sold	Number of shares held at the end of the current year (12.31.2021)
<i>Directors in office at December 31, 2021</i>						
Marc Benayoun	Chairman		-	-	-	-
Nicola Monti	Chief Executive Officer		-	-	-	-
Béatrice Bigois	Director		-	-	-	-
Paolo Di Benedetto	Director		-	-	-	-
Fabio Gallia	Director		-	-	-	-
Angela Gamba	Director		-	-	-	-
Xavier Girre	Director		-	-	-	-
Jean-Bernard Lévy	Director		-	-	-	-
Florence Schreiber	Director		-	-	-	-
<i>Statutory Auditors in office at December 31, 2021</i>						
Serenella Rossi	Chairman Board Stat. Audit.		-	-	-	-
Lorenzo Pozza	Statutory Auditor		-	-	-	-
Gabriele Villa	Statutory Auditor		-	-	-	-
<b>Executives with strategic responsibilities</b>			-	-	-	-

## Motions

*Dear Shareholders,*

the report on compensation policy for the period 2021-2022 and on compensation paid by Your Company in 2021 (the **2021 Compensation Report**) was developed pursuant to and in implementation of the provisions of Article 123-ter of Legislative Decree 58/1998 and subsequent amendments (known as TUF). The article was last amended by means of Legislative Decree 49/2019. The report was prepared in accordance with the guidance provided in Article 84-quarter, introduced by the Consob in the Issuers' Regulations for the purpose of implementing the TUF, as last amended by the Consob with Resolution No. 21623 of 10 December 2020. In addition, the principles set forth in Article 5 of the Corporate Governance Code for Listed Companies, 2020 edition, and the recommendations of the Corporate Governance Committee are adopted as general reference guidelines on compensation policies for this Report.

The Shareholders' meeting is required to:

- i) approve "Section One" of the 2021 Compensation Report, which outlines the compensation policies adopted by Your Company in 2021 and proposed for 2022, based on the information provided in the report, for the members of the Board of Directors (including executives with special duties, also as members of the Board Committees), executives with strategic responsibilities, and the members of the Board of Statutory Auditors, as well as the procedures followed for adopting and implementing said policy. The resolution is binding;
- ii) vote on the "Section Two" of the 2021 Compensation Report, which, by name for the members of the Board of Directors and Control Bodies and, in aggregate form, for executives with strategic responsibilities, indicates the remuneration paid in 2021 for any reason and in any form by the Company and its subsidiaries or associated companies. The resolution is not binding.



If you agree with its contents, we propose you adopt the following resolutions.

## Motions for resolutions to the shareholders' meeting

### “The Shareholders' Meeting,

- having taken note of the 2021 Compensation Report prepared by the Board of Directors, in application of the provisions of Article 123-ter of Legislative Decree 58/1998 and subsequent amendments and of the provisions set forth in Article 84-quater introduced by the Consob in the Issuers' Regulations, as last amended by the Consob with Resolution No. 21623 of 10 December 2020;
- having examined “Section One” and “Section Two” of the 2021 Compensation Report;
- in consideration of the Corporate Governance Code for listed companies, to which the Company adheres;
- having obtained the favourable opinion of the Compensation Committee;

resolves

### THIRD RESOLUTION

to approve “Section One” of the 2021 Compensation Report.

### FOURTH RESOLUTION

in favour of “Section Two” of the 2021 Compensation Report.”

Milan, February 16, 2022

The Board of Directors

By: Nicola Monti

*Chief Executive Officer*

This document is also available on the  
Company website: [www.edison.it](http://www.edison.it)

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