

Report
on Compensation Policy
and on Compensation
paid in
2023

Contents

1 Introduction	113
1.1 Foreword	113
1.2 Regulatory framework	113
1.3 Purpose and contents	113
1.4 Compliance	114
2 Section One	115
2.1 Governance	115
2.2 Approval process of the Directors' compensation	116
2.3 Compensation policy: purpose and general principles	116
2.4 Structure, composition and development of the compensation policy: fiscal year 2023	117
2.5 2023 compensation policy and guidelines for compensation in 2024	123
2.6 Policy orientations and guidelines for the compensation of the Board of Statutory Auditors	126
3 Section Two	127
Part one	127
Comparison data	127
Part two	128
3.1 Schedule of the Compensation of Directors, Statutory Auditors and Executives with Strategic Responsibilities	128
3.2 Schedule of monetary incentive plans for Directors and Executives with Strategic Responsibilities	132
3.3 Schedule of shareholdings held by Directors, Statutory Auditors and Executives with Strategic Responsibilities	133
Motions	134

1. Introduction

1.1 Foreword

The Shareholders' Meeting elected the current Board of Directors on 31 March 2022, defining its term of office as covering a period of three fiscal years (2022-2024), i.e. until the Shareholders' Meeting convened to approve the 2024 financial statements. Luc Rémont, co-opted by the Board of Directors on 7th December 2022, was confirmed in his position as Director by the Shareholders' Meeting of 5th April 2023 and is to remain in office until the natural expiry of the term of office of the current administrative body.

Within the scope of its operations, the Board of Directors established a series of committees (the **"Board Committees"**), including the Compensation Committee, and appointed the respective Chairpersons. 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, whereas 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.

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**).

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 of its latest amendments by Legislative Decree nr. 49/2019 of 10 May 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 **"CG Code"**) 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, and in general of the stakeholders, the market, 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, and the statutory auditors.
- 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.
- Governance and procedures applied to define, implement, and assess the implementation of the abovementioned policy during fiscal year 2023 and to define the proposal for the compensation policy for fiscal year 2024 and, as far as the Directors participating in the corporate *governance* bodies as well as the members of the Oversight Board and the Statutory auditors are concerned, for the entire duration of the current term of office.

Section Two

- Detailed and analytical breakdown of the items and amounts that make up the 2023 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.
- Detailed breakdown of the items and the amounts that make up the 2023 compensation of statutory auditors;
- Aggregate information about the items and amounts that make up the 2023 compensation of Top Managers, listing fixed and variable cash components, possible compensation based on the adopted 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, 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 2023 (**Compensation Report 2023**), drafted by the Company, was approved by the Board of Directors at a meeting held on 12 February 2024 (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 2023, 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 2023; 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 under Governance.

This Report is structured in accordance with the guidelines provided in the abovementioned Article 84-quater of the Consob Issuers' Regulation 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 Transactions 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, 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 2023 Governance Report for additional information) and approved its operating regulations. In the exercise of its prerogatives, the Committee relies on the operational support of the Human Resources & ICT 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 2023 Governance Report 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 are present at the meetings of the Compensation Committee representing the invited body 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 & ICT 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 31 March 2022, for a term of office ending with the Shareholders' Meeting convened to approve the financial statements for fiscal year 2024, the compensation of the members 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 2022, 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 Shareholders' Meeting of 31 March 2022 and in consideration of the reference benchmark for the 2022-2024 period resolved:

- the compensation for members of the Board's Committees (Control, Risk and Sustainability Committee; Compensation Committee, and Related Party Transactions Committee) and the 231 Oversight Board;
- the compensation of the Chairman and the Chief Executive Officer.

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 & benefits 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 Disclosure.

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 2023

Structure of Compensation

Taking into account the general purposes stated above, in 2023 the compensation policy was developed based on the reference principles and guidelines defined by the Board of Directors on 15 February 2023 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 2022 are included in the Compensation Report approved by the Shareholders' Meeting on 5 April 2023.

- **Particularly with regard to the members of the governance bodies of the company,** the compensation policy was developed and structured as follows: the compensation of non-executive Directors, established by the Shareholders' Meeting of 31 March 2022 for the entire 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. The Board, in consideration of the evidence resulting from the reference benchmark, resolved to award members of the various Committees the same compensation as in the previous three-year term of office,

highlighting that Committee Chairpersons are to 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 fixed gross annual is 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. Besides the variable annual component, the Chief Executive Officer is also entitled to a variable medium-to-long-term component for the 2022-2024 term of office, like some select Top Managers, senior managers and middle managers of the Company; the targets that will act as the basis for the variable component of the Long-Term Incentive plan were outlined by the BoD of 26 July 2022 and apply to the CEO and the select managers. As for the variable annual component, the BoD of May 4, 2023 defined the targets for 2023, which also apply to Top Managers and the management receiving variable annual compensation.

The following sections illustrate the compensation of the above-mentioned subjects.

Chairman Compensation

- **The compensation of the Chairman was defined by the BoD on 3 May 2022, which confirmed its structure of a single fixed component for the entire duration of the term of office.** The amount was however cut by over 30% vis-à-vis the previous term of office, in light of the evolution of relevant market benchmarks. The Compensation Committee has expressed its opinion on this amendment, in compliance with the Related-Party Procedure adopted by the Company. As expressly requested by the Chairman, this component and all other compensation provided for serving as a Director are paid by Edison directly to its parent company EdF.

CEO Compensation

- **The compensation of the CEO** was also defined by the BoD of 3 May 2022, after acquiring the opinion of the Compensation Committee in compliance with the Related-Party Procedure as well as the opinion of the Board of Statutory Auditors. Its structure and value resulted from a comparison of relevant markets, which also takes into account the corporate economic risk profile in connection with the current remarkable volatility of the Energy commodity industry, the growth of the position in connection with the company's growing financial and social profile, and the strategic development plan to be implemented during the term of office at hand. Against this backdrop, the overall amount was increased by about 20% a year vs the previous three-year term of office. The three components have been confirmed, albeit with an increased incidents of variable components , notably the medium- and long-term variable component, vis-à-vis the fixed component. As a result of this, **compensation includes a fixed gross annual compensation, a variable gross annual compensation (MBO), and a medium-term variable cash component (three-year cash LTI, 2022-2024**, similarly to what has been established for Top Managers and Middle Managers benefitting from an LTI.) **The compensation for the CEO was also established to apply throughout the entire term of office (2022-2024).**
- 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 50%, variable gross annual compensation (MBO) at target value around 25%, and variable cash medium-term component (LTI) with annual quota at target value 25%.
- **The variable gross annual compensation (MBO)** 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 as well as of targets connected in a more general way to sustainability parameters that are conducive to the strategic development of the company and that are in line with the Company's ESG targets. Said targets are outlined in the Non Financial Disclosure, 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.
- **The variable medium-term remuneration (LTI)** of the CEO is related to the achievement of targets linked to the Company's strategic development over the three-year reference period (2022-2024), which are detailed in the Long Term Incentive section of the Report.

Top Management Compensation

- For all management, including Top Managers, the general guidelines of the compensation policy were confirmed for fiscal year 2023. Compensation is divided into three components (fixed compensation, short-term variable compensation and, for Top Managers and for a selected group of managers, in line with the 2019-2021 period, a medium-long term variable compensation is also applied - LTI program - new cycle 2022-2024.)
- 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. 60%, variable gross annual compensation (MBO) at target value ca. 20%, and variable cash medium-term component (LTI) with annual quota at target value ca.20%.
- As is the case with the CEO, the variable gross annual compensation of Top Managers (MBO) is also 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, they align with the ESG targets adopted by the company and detailed in the Non Financial Disclosure, which includes specific individual targets.

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.

Targets for the variable component for 2023 applied to the CEO and benchmark for Top managers and managers

The following targets have been established for 2023, taking into account the ongoing extraordinary conditions and extreme volatility of the external context induced by the outbreak of the war between Russia and Ukraine:

- **economic and financial targets**, with a combined weight of **45%** (measured by way of indicators based on Ebitda, operating Cash Flow, and the trend in operating expenses);
- **operating targets** connected with industrial and commercial indicators, with a combined weight of **30%** (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 of the development of the Energy Services market and of the increase in the number of end-user contracts sold and improved quality of service in the end-user market);

- **social and environmental 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, measured through a dedicated survey carried out among the employees by a qualified external firm;
- finally, this basket of annual targets rounded out, like in the previous years, with the addition of a **strategic development target** weighing in at **15%**, connected with a qualitative assessment to be provided by the BoD based on specific element and factors. As was the case in the previous years, said elements were identified as the work carried out by the management during the year in order to develop the corporate growth strategy in the medium and long term, and as the company's overall contribution to the Group's performance.

The assigned operational, management, and social targets also include targets that contribute to reaching the **ESG targets** taken on by the Company, with specific regard to environmentally and socially strategic targets that are also expressed in the Non Financial Disclosure. Said targets **weigh in at a total 20%** of the basket of targets established within the framework of the 2023 MBO (considering that the targets of developing electricity generation from renewable sources are also attributable to this nature).

The abovementioned general targets, entrusted to the Chief Executive Officer, represent the benchmark for the common annual objectives for the Company's Top managers and its managers in general, supplementing specific area and/or personal targets. The common corporate objectives for 2023 weigh in at 60% of overall targets entrusted to Top managers and at 20% of those entrusted to the management team as a whole.

Long Term Incentive plan 2022-2024

The Board of Directors' meeting of 26 July 2022, upon the proposal of the Compensation Committee and having heard the opinion of the Board of Statutory Auditors, defined the start of a new three-year cycle of **cash Long-Term Incentive plan (LTI 2022-2024) for the CEO, the top managers and a restricted group of senior managers and junior, high-potential managers**, in continuity with the Compensation Policy adopted in previous years and with market practices for comparable companies, and simultaneously approved the regulation disciplining it. The new cycle is based on a basket of objectives related to the Company's strategic development over the three-year period of the LTI plan, taken from the latest revision of the medium-term strategic plan approved by the Board of Directors (Medium-term Plan 2022-2025). Said **targets** include **economic-financial** result parameters, **weighing in at 50%** (by way of EBIT and Operating Cash Flow indicators for the period), **industrial and commercial development targets with a 20% weight** (by way of renewable sources development, electric mobility development and energy community development targets) and specific **environmental and social targets with a 15% weight** (by way of indicators of avoided CO2 emissions and the development of Gender Diversity at managerial level). The basket rounds up with a **target linked to EDF group parameters in the same period with a weight of 15%** and to the assumed interest and contribution that such membership determines on the company's results and strategic developments. Similarly to the short-term variable incentive component, the LTI programme also includes **ESG targets**, which, collectively account **for 35%** of the total assigned targets, including the specific environmental and social targets as well as the industrial and commercial development targets mentioned above. The target bonus resulting from the LTI programme is defined in relation to the reference compensation of the grantees and the pay-out level is connected to a non-linear performance

3-level scale (minimum level equal to 50% of the target, target level 100% and maximum level equal to 150% of the target level). The payment is subject to the final approval of the results obtained by the Board of Directors at the end of the plan; the payment will only be due following the approval of the financial statements by the Shareholders' Meeting relating to the last year of the plan's reference period (fiscal year 2024) for the benefit of those who are employed by the company at that date.

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

Performance results of fiscal year 2023

The **economic and financial results, from the point of view of the overall operating performance** achieved by the company over the course of **fiscal year 2023**, were **remarkable and beyond budget expectations, as well as above the levels of the previous fiscal year**, counting as **the best absolute performance of the Company in the last two decades**, 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 level of performance was attained within an external market context that remained highly unpredictable in terms of geopolitical and economic phenomena, as well as in the economic volatility of price-risk associated with the energy commodity market. The actions taken in the previous years were further developed by the Company's management throughout fiscal year 2023, and they have confirmed that the strategy chosen by the company is highly appropriate and resilient, even in the face of an extremely uncertain and unpredictable external context. They have also helped achieve the remarkable operating performance for the year. The results of industrial and commercial operations as well, across **all areas of the company, have led to achieving and in many cases exceeding the targets set for the year**.

With specific regard to the results achieved on the common objectives assigned for fiscal year 2023 to the Chief Executive Officer, the Board of Directors meeting of 12 February 2024, 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 for the 2023 MBO of the CEO is 120%**; said percentage performance value will also be used as a reference for the quota of common objectives related to the 2023 MBO of Top managers and all managers, according to the applicable evaluation scale. Also due to the remarkable performance achieved in the 140th year of the Company's founding, the Corporate Executive Committee (COMEX), after informing the Board, decided to award a Special 140th Anniversary Bonus as a one-off payment in the gross amount of €1,400, to all employees of the Edison Group. The bonus was paid with the January 2024 salary and will be accounted for in the income statement for 2023 of the Parent Company Edison S.p.A. The Chief Executive Officer and all the Members of the Comex have also voluntarily decided to donate their bonus to Fondazione EOS, to support social sustainability initiatives promoted by the Foundation.

Claw back clauses

No claw-back clauses have been introduced concerning the short-term variable component for executive Directors and, 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 the competitive context where the company operates.

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 at Edison, 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. 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 the role as member of Edison's Board of Directors and its cessation. This profile is equally relevant for the executives who may be asked to perform executive duties in the Board of Directors of subsidiaries and associates of Edison, including Top managers.

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 governed by the Company's management team within a dedicated internal process and are updated on a regular basis.

2.5 2023 compensation policy and guidelines for compensation in 2024

The 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 2024 fiscal year:

- **General macro-economic scenario:** Forecasts for 2024 concerning the evolution of key macro-economic factors highlight **weak economic growth at a global level in terms of GDP and inflation decreasing vs 2023**. However, the **geopolitical landscape** remains **largely unpredictable** due to the evolution of the ongoing International conflicts and by relevant political events such as the EU Parliament elections and the American elections, which may have a remarkable impact on the economies, especially on price dynamics for raw materials, thus resulting in potential inflation.

Based on the preliminary estimates provided by ISTAT about the context of this **economic scenario**, in **2023** Italy recorded a contraction of growth in terms of GDP vis à vis the previous year. This was not only a reflection of the International geopolitical and economic scenario, but also a consequence of the monetary policies that were introduced across Europe in a bid to combat and curtail the inflation of prices, which had grown exponentially in 2022. Within this context, the **GDP** was estimated at 0.7% whereas the **inflation**, which had peaked at 11.6% and had reached an annual median value of 8.1% in 2022, settled at an **annual median value of 5.7%** in 2023, showing a noticeable downward trend starting late in the year.

Within this scenario, **forecasts for the year 2024** indicate **economic growth in terms of GDP in line with 2023 levels of close to 1% and inflation** that should continue in its gradual **downward trend** started in the second half of 2023, to settle at an **average annual value of around 2.5%**. On the **labour market**, demand, which had already overtaken pre-pandemic levels in 2022, recorded unprecedented **peak employment levels** in 2023, reaching an overall employment rate nationwide of around 60%, moderate 7.6% unemployment rate (source: ISTAT, late 2023) albeit with remarkable, ongoing discrepancies between geographical areas, genders and generations. However, the growth in demand exacerbated the problem of **mismatch between supply and demand** in the labour market, which reached a general rate of close to 50%.

The labour market in 2023 also **confirmed and heightened its dynamic nature: the voluntary turnover rate grew to 7%**, with significantly higher peaks of up to 15%-20% and more for highly educated young people with professional profiles employable in technical-scientific and business-technological innovation jobs. The combination of the significant inflationary growth immediately after the pandemic crisis and the outbreak of international conflicts, and of the accentuated dynamics in the labour market, has consequently produced, as early as 2022 and in the course of 2023, an impact on wage dynamics as well, which, however, has only partially offset the inflationary trend.

In 2023, **managerial salaries in the Italian general market** increased by **3.7% to 3.9%**, approximately 2 points lower than the actual annual inflation rate. **For 2024, the labour market context is expected** to remain highly dynamic and tense, albeit with inflation trending downwards compared to the previous year. With regard to salary policies for Management, the latest forecasts for the general market in Italy from specialised external firms used by the company (Korn Ferry and WTW) **envisage an increase in gross annual global compensation of 3.7%, substantially in line with the values recorded in 2023**.

- Within this general framework, the **Italian energy industry**, after proving its good level of economic and operational resilience during the pandemic emergency, as well as showing excellent reactivity and potential for recovery as early as in 2021 and 2022, confirmed a sound **economic operating performance in 2023 across all key players, despite decreased consumption across the entire market**. Nevertheless, **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 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 increasingly dynamic and competitive trend of the labour market** in this sector that was recorded in the last 2 years, and makes for reasonable forecasts for possible further developments, driven by the remarkable investment plans that have been announced by major operator and by the increasing interest and willingness of international investment funds in investing in this industry in Italy. This scenario, in a general labour market context which is heavily affected by high rates of mismatch and turnover, **exacerbates the difficulties for operators in the industry to find and retain the skills needed to support such development programmes**, leading them **towards more aggressive compensation policies** with particular reference to young graduates with technical-scientific and economic profiles. With regard to **2024**, in the general macro-economic scenario described above, **growth in the gross annual global compensation for the energy sector in Italy is expected to be in line with the values for 2023 and the general market in Italy, ranging between 3.5% and 4%**. These forecast values of the dynamics of salary growth include the effects of meritocratic salary policies adopted by companies and contractual automatisms connected to seniority for Managers with a contractual employment relation.

Within the framework of the compensation dynamic outlined above, and in line with the practice implemented in previous years, in **2023 Edison** adopted a moderate salary policy, particularly with regard to the Directors and Top managers (in line with the average of comparable companies on the market) and a more competitive salary policy vis-à-vis the rest of the market for young managers and resources with a high growth potential but not yet entrusted with managerial responsibilities. Edison has pursued the goal to implement a salary policy that leans towards 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 14X.

The **Company's salary policy** applied to the entire management in 2023 developed in accordance with the guidelines approved and represented in the 2023 Compensation Report submitted to the Company's Shareholders' Meeting on 5 April 2023, **resulted in a 3.4% increase, which is slightly below the market and the approved amount for the year (3.5%)**.

The Company's salary policy was completed, with regard to a select group of senior managers and young manager, with a variable, medium-term cash component (Long-Term Incentive programme, 2022-2024), which is outlined above in section 2.4, and 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 **compensation policy for 2024**, 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 an increasingly tense, competitive, and dynamic labour market, especially in the energy industry, as well as of the company's medium- to long-term growth strategies, the Board of Directors has decided to **strengthen its compensation policies**. This becomes **necessary with a view to accommodating the Company's remarkable growth in size, both under the economic and financial point of view and in terms of business portfolio, and especially in order to attract and retain talents who tend to be more affected by the market's competitiveness and turnover**. As a result, this policy will be particularly focused on the younger population and the professional and managerial profiles that tend to be more exposed to the market turnover dynamics. Their overall economic package will be brought progressively to a range between the median and the third quartile of the reference market.

Consequently, the following guidelines have been defined for 2024 with specific reference to the Directors and managers:

- **with reference to the compensation for the directors**, including those entrusted with special duties (Chairman and CEO) and the members of the Board Committees and the Oversight Board 231, the compensation policy is outlined above in section 2.4 that was applied in the last two years is confirmed for the current year;
- **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 2024 for the **salary policy on the annual cash component equal to 4%** of the reference annual total payroll, slightly higher than the previous year's figure (3.3%) and the general market forecast (3.7%). This policy takes into account the opportunity to recover the slight differential of the corporate policy vs the previous financial year 2023 compared to the market, to partially recover the real value of salaries compared to the actual inflation and an extremely dynamic and competitive market context. The development and concrete application of this policy will be aimed in particular at curbing the turnover of significant managerial resources that are more exposed to it, including by resorting to possible and specific instruments with a non-structural economic impact;
- with regard to the **targets for the year 2024 connected to the short-term variable component (MBO)** of the Chief Executive Officer, for the Top Managers and for the entire company management, in general, it is deemed appropriate to confirm the structure of a panel that includes objectives of an economic/financial nature, of an industrial/commercial operating nature and of a social nature, also including ESG objectives, based on the principles of performance sustainability and company growth also in the medium-long term.

The following targets have been identified for 2024:

- economic and financial targets, with a combined weight of 45% (measured by way of indicators based on Ebitda, net financial position, and the trend in operating expenses);
- operating targets connected with industrial and commercial indicators, with a combined weight of 25% (consisting of the development of generation from renewable sources in terms of

- installed MWs, of the development of the Energy Services market and of the increase in the number of end-user contracts sold and improved quality of service in the end-user market);
- other social and environmental targets connected with ESG issues, with an overall weight of 15% referring to the occupational injury rate, both for Company employees and employees of third party staff, measured through a dedicated survey carried out among the employees by a qualified external firm and avoided CO₂ emissions;
 - finally, this basket of annual targets rounded out, like in the previous years, with the addition of a strategic development target weighing in at 15%, connected with a qualitative assessment to be provided by the BoD based on specific element and factors. As was the case in the previous years, said elements were identified as the work carried out by the management during the year in order to develop the corporate growth strategy in the medium and long term, and as the company's overall contribution to the Group's performance.

The assigned operational, management, and social targets also include targets that contribute to reaching the ESG targets taken on by the Company, with specific regard to environmentally and socially strategic targets that are also expressed in the Non-Financial Statement. Said targets weigh in at a total 30% of the basket of targets established within the framework of the 2024 MBO (considering that the targets of developing electricity generation from renewable sources and the those relating to the development of energy efficiency contracts are also attributable to this nature).

The abovementioned general targets, entrusted to the Chief Executive Officer, represent the benchmark for the common annual objectives for the Company's Top managers and its managers in general; supplementing specific area and/or personal targets, the common corporate objectives for 2024 weigh in at 60% of overall targets entrusted to Top managers and at 20% of those entrusted to the management team as a whole.

2.6 Policy orientations and guidelines for the compensation of the Board of Statutory Auditors

The compensation of the Board of Statutory Auditors currently in office was **established by the Shareholders' Meeting on April 5, 2023**, 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 April 5, 2023 also confirmed 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 Board Committees or of the Oversight Board 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 and the existing market practices.

Said compensation is defined and remains valid **throughout the entire term of office** of the Board of Statutory Auditors, or until the meeting for the approval of the 2025 financial statements.

3. Section Two

Part one

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

First and last name	Post held	Period during which the post was held		Total compensation 2023 (in thousands euros)	% change	Total compensation 2022 (in thousands euros)	% change	Total compensation 2021 (in thousands euros)
Directors in office at December 31, 2023 (*)								
Marc Benayoun	Chairman	In office from 2019 and confirmed in 2022	(c)	333	-5.67	353	-15.95	420
Nicola Monti	Chief Executive Officer	In office from 06/19/2019 and confirmed in 2022	(d)	864 (g)	5.62	818 (f)	-29.85	1,166 (e)
Béatrice Bigois	Director	In office from 2019 and confirmed in 2022	(c)	94	1.08	93	5.68	88
Paolo Di Benedetto	Director (a)	In office from 2019 and confirmed in 2022		214	-6.55	229	-2.14	234
Fabio Gallia	Director (a)	In office from 2019 and confirmed in 2022		131	-9.66	145	-	145
Angela Gamba	Director (a)	In office from 04/28/2020 and confirmed in 2022		164	-9.39	181	-1.09	183
Xavier Girre	Director	In office from 2019 and confirmed in 2022	(c)	63	6.78	59	-4.84	62
Nelly Recrosio	Director	In office from 03/31/2022	(c)	63	28.57	49		
Luc Rémont	Director	In office from 12/07/2022 and confirmed in 2023	(c)	61	916.67	6		
Florence Schreiber	Director	In office from 04/28/2020 and confirmed in 2022	(c)	87	-	87	-9.38	96
Total compensation of Directors in office at December 31, 2023				2,074	2.67	2,020	-15.62	2,394
Total compensation of Directors				2,074	2.67	2,020	-15.62	2,394
Statutory Auditors in office at December 31, 2023 (b)								
Serenella Rossi	Chairman Board Stat. Audit.	In office in 2021, 2022 and 2023		104	-3.70	108	2.86	105
Lorenzo Pozza	Statutory Auditor	In office in 2021, 2022 and 2023		72	-5.26	76	7.04	71
Gabriele Villa	Statutory Auditor	In office in 2021, 2022 and 2023		71	-5.33	75	5.63	71
Total compensation of Statutory Auditors				247	-4.63	259	4.86	247

(*) The Company's Board of Directors was appointed by the Shareholders' Meeting on March 31, 2022, except for Luc Rémont, co-opted by the Board of Directors on December 7, 2022 and confirmed by the Shareholders' Meeting on April 5, 2023. The term of office expires with the Shareholders' Meeting to approve financial statements as of December 31, 2024.

(a) Independent Director.

(b) The Company's Board of Statutory Auditors was appointed by the Shareholders' Meeting on April 5, 2023, which confirmed the same members and also approved their emoluments. The term of office expires with the Shareholder's Meeting to approve financial statements as of December 31, 2025.

(c) Fees paid directly to EdF SA Company and not to the individual himself.

(d) Fees paid directly to Transalpina di Energia Spa and not to the individual himself.

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

(f) Includes variable compensation for 2022 of 255,000 euros.

(g) Includes variable compensation for 2023 of 300,000 euros.

Group Results	2023 (in thousands euros)	% change	2022 (in thousands euros)	% change	2021 (in thousands euros)
EBITDA	1,808	71.21	1,056	6.7	989
EBIT	796	43.17	556	19.31	466
Profit (Loss) for the year attributable to the owners of the parent	515	241.06	151	-63.44	413
Net financial debt	160	-66.46	477	358.65	104
The average compensation of Group's employees (in euros)	54,314		50,897		52,462

Part two

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 earned in 2023, including those who ceased to be in office during the year, for any reason and in any form, attributable to the Company and its subsidiaries and affiliated companies at December 31, 2023.

Reference period: January 1, 2023 to December 31, 2023 (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
Directors in office at December 31, 2023 (***)						
Marc Benayoun (a)	Chairman	01.01.23	12.31.23	(*)	333	-
Nicola Monti (b)	Chief Executive Officer	01.01.23	12.31.23	(*)	564	-
Béatrice Bigois (c)	Director	01.01.23	12.31.23	(*)	63	31
Paolo Di Benedetto (c)(d)(e)(g)	Director (f)	01.01.23	12.31.23	(*)	64	150
Fabio Gallia (c)(e)	Director (f)	01.01.23	12.31.23	(*)	64	67
Angela Gamba (d)(e)(g)	Director (f)	01.01.23	12.31.23	(*)	63	101
Xavier Girre	Director	01.01.23	12.31.23	(*)	63	-
Nelly Recrosio	Director	01.01.23	12.31.23	(*)	63	-
Luc Rémont	Director	01.01.23	12.31.23	(*)	61	-
Florence Schreiber (d)	Director	01.01.23	12.31.23	(*)	61	26
Total compensation of directors in office at December 31, 2023					1,399	375
Total compensation of directors					1,399	375
Statutory Auditors in office at December 31, 2023 (h)						
Serenella Rossi	Chairman Board Stat. Audit.	01.01.23	12.31.23	12.31.2025	90	14
Lorenzo Pozza	Statutory Auditor	01.01.23	12.31.23	12.31.2025	61	11
Gabriele Villa	Statutory Auditor	01.01.23	12.31.23	12.31.2025	61	10
Total compensation of Statutory Auditors in office at December 31, 2023					212	35
Total compensation of Statutory Auditors					212	35
Total compensation of Directors and Statutory Auditors					1,611	410
Executives with strategic responsibilities (i)					3,171 (o)	-

(*) The term of office expires with the Shareholder's Meeting to approve financial statements as of December 31, 2024.

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

(***) The Company's Board of Directors was appointed by the Shareholders' Meeting on March 31, 2022, except for Luc Rémont, co-opted by the Board of Directors on December 7, 2022 and confirmed by the Shareholders' Meeting on April 5, 2023.

(a) Appointed Director and Chairman of the Board of Directors by the Shareholders' Meeting on March 31, 2022.

(b) Appointed Director by the Shareholders' Meeting held on March 31, 2022 and Chief Executive Officer by the Board of Directors held on the same date.

(c) Member of the Control, Risk and Sustainability Committee.

(d) Member of the Compensation Committee.

(e) Member of the Related Party Transactions Committee.

(f) Independent Director.

Compensation

Variable non equity compensation		Non cash benefits (**)	Other compensation	Total	Fair Value of equity compensation	End of service or employment termination indemnity
Bonuses and other incentives	Profit sharing					
-	-	-	-	333 (m)	-	-
300 (l)	-	-	-	864 (n)	-	-
-	-	-	-	94 (m)	-	-
-	-	-	-	214	-	-
-	-	-	-	131	-	-
-	-	-	-	164	-	-
-	-	-	-	63 (m)	-	-
-	-	-	-	63 (m)	-	-
-	-	-	-	61 (m)	-	-
-	-	-	-	87 (m)	-	-
300	-	-	-	2,074	-	-
300	-	-	-	2,074	-	-
-	-	-	-	104	-	-
-	-	-	-	72	-	-
-	-	-	-	71	-	-
-	-	-	-	247	-	-
-	-	-	-	247	-	-
300	-	-	-	2,321	-	-
1,191 (p)	-	137	42	4,541	-	-

(g) Member of the Oversight Board.

(h) The Company's Board of Statutory Auditors was appointed by the Shareholders' Meeting on April 5, 2023, which confirmed the same members and also approved their emoluments. The term of office expires with the Shareholder's Meeting to approve financial statements as of December 31, 2025.

(i) The data re-include subjects who qualified during 2023 (13 subjects).

(l) Variable compensation for 2023 for the position of Chief Executive Officer.

(m) Fees paid directly to EdF SA and not to the individual himself.

(n) Fees paid directly to Transalpina di Energia Spa and not to the individual himself.

(o) Compensation for employee.

(p) Variable bonus for 2023 for no. 13 Executives with strategic responsibilities. See details in Table 3.2 below.

The schedule below shows the details of the items “Fixed compensation” and “Compensation for participation in committees,” of directors and statutory auditors, in the previous schedule.

Reference period January 1, 2023 - December 31, 2023 (in thousands of euros)

Beneficiary	Description of post and term office				Fixed compensation	Detail of fixed compensation			
						Compensation approved by the Shareholder's Meeting	Attendance fees for Board Meetings	Fixed compensation for post held of Chairman	Fixed compensation for post held of Chief Executive Officer
First and last name	Post held	Period during which the post was held		End of term of office	(1)	(1)	(2)(A)	(2)(B)	
<i>Directors in office at December 31, 2023 (**)</i>									
Marc Benayoun (a)	Chairman	01.01.23	12.31.23	(*)	333	50	13	270	-
Nicola Monti (b)	Chief Executive Officer	01.01.23	12.31.23	(*)	564	50	14	-	500
Béatrice Bigois (c)	Director	01.01.23	12.31.23	(*)	63	50	13	-	-
Paolo Di Benedetto (c)(d)(e)(g)	Director (f)	01.01.23	12.31.23	(*)	64	50	14	-	-
Fabio Gallia (c)(e)	Director (f)	01.01.23	12.31.23	(*)	64	50	14	-	-
Angela Gamba (d)(e)(g)	Director (f)	01.01.23	12.31.23	(*)	63	50	13	-	-
Xavier Girre	Director	01.01.23	12.31.23	(*)	63	50	13	-	-
Nelly Recrosio	Director	01.01.23	12.31.23	(*)	63	50	13	-	-
Luc Rémont	Director	01.01.23	12.31.23	(*)	61	50	11	-	-
Florence Schreiber (d)	Director	01.01.23	12.31.23	(*)	61	50	11	-	-
Total compensation of Directors in office at December 31, 2023					1,399	500	129	270	500
Total compensation of Directors					1,399	500	129	270	500
					Fixed compensation	Compensation approved by the Shareholders' Meeting	Attendance fees for Statutory Auditor Meetings		
						(4)	(4)		
<i>Statutory Auditors in office at December 31, 2023 (h)</i>									
Serenella Rossi	Chairman Board Stat. Audit.	01.01.23	12.31.23	12.31.2025	90	75	15	-	-
Lorenzo Pozza	Statutory Auditor	01.01.23	12.31.23	12.31.2025	61	50	11	-	-
Gabriele Villa	Statutory Auditor	01.01.23	12.31.23	12.31.2025	61	50	11	-	-
Total compensation of Statutory Auditors in office at December 31, 2023					212	175	37	-	-
Total compensation of Statutory Auditors					212	175	37	-	-
Total compensation Directors and Statutory Auditors					1,611	675	166	270	500

(*) The term of office expires with the Shareholder's Meeting to approve financial statements as of December 31, 2024.

(**) The Company's Board of Directors was appointed by the Shareholders' Meeting on March 31, 2022, except for Luc Rémont, co-opted by the Board of Directors on December 7, 2022 and confirmed by the Shareholders' Meeting on April 5, 2023.

(A) The fixed annual compensation approved by the Board of Directors on May 3, 2019 in 350,000 euros was reduced to 270,000 euros by the Board of Directors on May 3, 2022 following the March 31, 2022 Shareholders' Meeting that appointed the current Board of Directors.

(B) The fixed annual compensation approved by the Board of Directors on May 3, 2019 in 500,000 euros was then confirmed by the Board of Directors on May 3, 2022 following the March 31, 2022 Shareholders' Meeting that appointed the current Board of Directors.

(a) Appointed Director and Chairman of the Board of Directors by the Shareholders' Meeting on March 31, 2022.

(b) Appointed Director by the Shareholders' Meeting on March 31, 2022 and Chief Executive Officer by the Board of Directors held on the same date.

(c) Member of the Control, Risk and Sustainability Committee.

Compensation for service on the committees	Detail of compensation for serving on Committees								
	Honoraria for participating in meetings of the Control, Risk and Sustainability Committee (3)	Attendance fees for meetings of the Control, Risk and Sustainability 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 participating in meetings for the Oversight Board (3)	Attendance fees for meetings of the Oversight Board (3)	
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
31	23	8	-	-	-	-	-	-	-
150	23	11	30	4	30	3	40	9	9
67	30	11	-	-	23	3	-	-	-
101	-	-	23	3	23	3	40	9	9
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
26	-	-	23	3	-	-	-	-	-
375	76	30	76	10	76	9	80	18	18
375	76	30	76	10	76	9	80	18	18
Compensation for service on the committees	Attendance fees for meetings of the Control, Risk and Sustainability Committee (4)		Attendance fees for meetings of the Compensation Committee (4)		Attendance fees for meetings of the Related Party Transactions Committee (4)		Attendance fees for meetings of the Oversight Board		
14	-	6	-	2	-	2	-	-	4
11	-	5	-	2	-	1	-	-	3
10	-	5	-	2	-	1	-	-	2
35	-	16	-	6	-	4	-	-	9
35	-	16	-	6	-	4	-	-	9
410	76	46	76	16	76	13	80	27	27

(d) Member of the Compensation Committee.

(e) Member of the Related Party Transactions Committee.

(f) Independent Director.

(g) Member of the Oversight Board.

(h) The Company's Board of Statutory Auditors was appointed by the Shareholders' Meeting on April 5, 2023, which confirmed the same members and also approved their emoluments. The term of office expires with the Shareholder's Meeting to approve financial statements as of December 31, 2025.

(1) Compensation approved by the Shareholders' Meeting on March 31, 2022.

(2) Compensation approved by the Board of Directors on May 3, 2022.

(3) Compensation approved by the Board of Directors on May 3, 2022.

(4) Compensation approved by the Shareholders' Meeting on April 5, 2023.

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

Reference period January 1, 2023 - December 31, 2023 (in migliaia di euro)

Beneficiary		Bonuses fo the year				Bonuses of previous year			Other bonuses
First and last name	Post held	Plan	Payed/ payable	Deferred	Deferral period	No longer payable	Paid/ Payable	Still deferred	
Nicola Monti	Chief Executive Officer (from 01.01.2023 to 12.31.2023)	Annual Monetary Incentive Plan 2023 (BoD May 4, 2023)	300 (a)	-	-	-	255 (b)	-	-
		Three-Year Long-Term Monetary Incentive Plan - Period 2022-2024 (BOD May 3, 2022 - July 26, 2022)	750 (c)	-	-	-	-	-	-
Total			1,050	-	-	-	255	-	-
Executives with strategic responsibilities									
Compensation in the Reporting Company		Annual Monetary Incentive Plan 2023	1,191 (d)	-	-	-	-	-	-
		Annual Monetary Incentive Plan 2022	-	-	-	-	1,042 (e)	-	-
		Three-Year Long-Term Monetary Incentive Plan - Period 2022-2024 (BOD May 3, 2022 - July 26, 2022)	2,805 (f)	-	-	-	-	-	-
Compensation from subsidiaries and affiliates		Annual Monetary Incentive Plan 2023	-	-	-	-	-	-	-
Total			3,996	-	-	-	1,042	-	-
Total			5,046	-	-	-	1,297	-	-

(a) Variable compensation for 2023. Compensation paid directly to Transalpina di Energia Spa and not to the individual.

(b) Variable compensation for 2022 for the position of Chief Executive Officer, paid in 2023. Compensation paid directly to Transalpina di Energia Spa and not to the individual.

(c) Deferred compensation for the Three-Year Long-Term Monetary Incentive Plan at the 100% target value - Period 2022 - 2024. Compensation to be paid directly to Transalpina di Energia Spa and not to the individual.

(d) Variable bonus for 2023 for 13 Executives with Strategic Responsibilities.

(e) Variable bonus of 2022 paid in 2023 for 13 Executives with Strategic Responsibilities.

(f) Compensation deferred for the Three-Year Long-Term Monetary Incentive Plan at the 100% target value - Period 2022 - 2024, for 13 Executives with Strategic Responsibilities.

3.3 Schedule of shareholdings held by Directors, Statutory Auditors and Executives with Strategic Responsibilities

The schedule below shows the investments held in Edison and its subsidiaries as of December 31, 2022 to December 31, 2023, by directors, auditors and executives with strategic responsibilities, directly as well as through their children, spouses, domestic partners, children of spouses and domestic partners and dependents of spouses and domestic partners or through subsidiaries, trust companies or intermediaries, resulting from the shareholder register, communications received and other information obtained from the members of the governing bodies themselves and control, by general managers and executives with strategic responsibilities.

Reference period January 1, 2023 to December 31, 2023

First and last name	Post held	Investee company	Number of shares held at the end of the previous year (12.31.2022)	Number of shares bought	Number of shares sold	Number of shares held at the end of the current year (12.31.2023)
<i>Directors in office at December 31, 2023</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		-	-	-	-
Nelly Recrosio	Director		-	-	-	-
Luc Rémont	Director		-	-	-	-
Florence Schreiber	Director		-	-	-	-
<i>Statutory Auditors in office at December 31, 2023</i>						
Serenella Rossi	Chairman Board Stat. Audit.		-	-	-	-
Lorenzo Pozza	Statutory Auditor		-	-	-	-
Gabriele Villa	Statutory Auditor		-	-	-	-
Executives with strategic responsibilities			-	-	-	-

Motions

Dear Shareholders,

the report on compensation policy for the period 2023-2024 and on compensation paid by Your Company in 2023 (the **2023 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 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 later integrated and amended, and in accordance with scheme 7-bis in the annex 3A of the Issuers' Regulations. In addition, the principles set forth in Article 5 of the Corporate Governance Code for Listed Companies, 2020 edition (to which the Company adheres), 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 2023 Compensation Report, which outlines the compensation policies adopted by Your Company in 2023 and proposed for 2024, 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 2023 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 2023 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 2023 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 later integrated and amended, and in accordance with scheme 7-bis in the annex 3A of the Issuers' Regulations;
- having examined “Section One” and “Section Two” of the 2023 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

FOURTH RESOLUTION

to approve “Section One” of the 2023 Compensation Report.

FIFTH RESOLUTION

in favour of “Section Two” of the 2023 Compensation Report.”

Milan, February 12, 2024

The Board of Directors
By: Nicola Monti
Chief Executive Officer