



Annual Compensation Report 2017

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1. INTRODUCTION

1.1 FOREWORD

The Shareholders' Meeting of 22 March 2016 elected the current Board of Directors, defining its term of office as covering a period of three fiscal years (2016-2018), i.e. until the Shareholders' Meeting convened to approve the fiscal year 2018 financial statements.

The Board of Directors established a series of internal committees, including the Compensation Committee, and appointed the respective Chairmen (the "Board Committees").

As explained later in this Report, the compensation of Directors was determined directly by the Shareholders' Meeting, upon a motion by the controlling shareholder, while that of Directors who perform special functions (Chairman and Chief Executive Officer) and the members of the various Board Committees and the Oversight Board was determined by the Board of Directors upon proposal from the Compensation Committee.

Moreover, the Compensation Committee also provided its proposal and a general recommendation about the compensation policy guidelines for managers, and specifically for top managers identified as executives with strategic responsibilities in the Company, identified in accordance with the criteria set forth in the Corporate Governance Code as the members of the Executive Committee reporting directly to the Chief Executive Officer (Comex).

1.2 REGULATORY FRAMEWORK

This Report was developed pursuant to and in implementation of the provisions of Article 123-ter of Legislative Decree No. 58 of February 24, 1998 (the "TUF") and was prepared in accordance with the guidance provided in Article 84-quater, as implemented by the Consob with Resolution No. 18049 of December 23, 2011, which amended the Issuers' Regulations published by the Consob for the purpose of implementing the TUF. In addition, the principles set forth in Article 6 of the Corporate Governance Code for Listed Companies, July 2015 edition (the "Code") are adopted as general reference guidelines on compensation policies for this Report.

1.3 PURPOSE AND CONTENT

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:

- the Company's general policy concerning the compensation of Directors, top management, including executives with strategic responsibilities, and Company managers in general, describing the governance and procedures applied to define, implement, and assess the implementation of the abovementioned policy;
- a detailed and analytical breakdown of the items and amounts that make up the compensation of Directors, listing fixed and variable cash components, any compensation based on financial instruments, 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.
- aggregate information about the items and amounts that make up the compensation of Executives with strategic responsibilities, listing fixed and variable cash components, any compensation based on financial instruments, 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.

1.4 PREPARATION AND STRUCTURE

This Compensation Report, prepared by the Company, was approved by the Board of Directors at a meeting held on 14 February 2018 (further to an opinion rendered by the Compensation Committee and the input of the Board of Statutory Auditors); Section One of this Report is being submitted for advisory vote to the Shareholders' Meeting convened to approve the financial statement for fiscal year 2017.

This Report is included in the Corporate Governance document published together with the Financial Report and the Report on Operations for fiscal year 2017; it will be made available to the market at least 21 days before the date of the abovementioned Shareholders' Meeting and may be consulted on the Governance page of the Company website: www.edison.it.

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.

2. SECTION ONE

2.1 GOVERNANCE AND COMPLIANCE

The Board of Directors currently in office was appointed by the Shareholders' Meeting of March 22, 2013 for a term of office ending with the Shareholders' Meeting convened to approve the financial statements for fiscal year 2018. The abovementioned Shareholders' Meeting determined the compensation of the members of the Board of Directors, setting it 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 abovementioned resolutions were adopted by the Shareholders' Meeting upon a motion by the controlling shareholder, consistent with the amounts applied to the previous Board of Directors.

At the meeting of 22 March 2016, the Board of Directors, upon a motion put forth by the Chief Executive Officer, with the prior approval of the Compensation Committee and the consent of the Board of Statutory Auditors, debated a resolution concerning:

- the compensation of members of the Board's Committees (Control and Risk Committee; Compensation Committee, and Committee of Independent Directors) and the Oversight Board, consistent with the amounts applied by the previous Board of Directors.

On 10 May, 2016, following a proposal from the Compensation Committee and with the approval of the Board of Statutory Auditors, the Board of Directors debated a resolution concerning:

- the compensation of Directors who perform special functions (Chairman and Chief Executive Officer).

2.2 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 work towards objectives that are consistent with the expectations of stakeholders, both over the medium and long term and in compliance with the official risk management policy, and reward them for the results they achieve.

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 area with regard to large companies that operate in the domestic and European market, with special emphasis on the Italian energy sector;

- 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 strategic plan.

For the purpose of analyzing market trends and benchmarking vis-à-vis the market the competitiveness of the Company's policies and the compensation of its managers, the Company relies on the findings of external surveys carried out by qualified consulting companies that operate at the international level.

In addition to the abovementioned findings, specifically with regard to compensation policies for Directors, 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 in fiscal year 2017, the Committee did not avail itself of this option.

2.3 STRUCTURE AND COMPOSITION OF THE COMPENSATION IN 2017

Taking into account the general objectives stated above and the competitive position in the reference market, the compensation policy was developed in accordance with the following principles:

- For Directors who are asked to perform specific 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. Said variable component is also linked to the indicators used for the Top Management.
- 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 term of office for the three-year period from 2016 to 2018, taking into account the principles and general criteria presented in Section 2.2 above, the Board of Directors currently in office, acting upon a recommendation by the Compensation Committee, with the input of the Board of Statutory Auditors, resolved to:
 - a. structure the Chairman's annual compensation as a single fixed component, reducing its amount by about 30% compared with the previous three-year term of office in order to realign it with the downward trend prevailing in the Italian market for comparable positions over the same time period, as also shown by the benchmarks produced by specialized external companies. 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;
 - b. confirm also for the new current term of office, finding them adequate, the structure and amount of the gross annual cash compensation of the Chief Executive Officer, as defined for the previous term of office, taking into account its alignment with the market average through benchmarks produced by specialized external companies. In view of the personal situation of the current Chief Executive Officer, who is an employee internationally seconded by the Parent Company, this compensation also includes the value of the home provided by the Company and the special tax status applied to expatriate employees in accordance with Group policies. The structure of the compensation of the Chief Executive Officer includes a fixed gross annual component and a variable gross annual component (MBO) equal to about 40% of the total gross annual compensation.
- 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 predefined and measurable annual targets assigned by the Board of Directors, further to a recommendation by the Compensation Committee and with the input of the Board of Statutory Auditors. For 2017, the reference targets used to determine the variable compensation

consisted of three categories of objectives that include economic-financial targets, with a combined weight of 45%, (measured by indicators based on EBITDA, cash flow, and the trend in operating expenses) as well as operating performance targets of an industrial- commercial and social type with a combined weight of 45% (consisting of the unavailability of the thermoelectric generation fleet, hydrocarbon production level, wholesale power market EBITDA, customer portfolio development and turnover from energy services in the end market, the occupational injury rate, both for Company employees and employees of contractors who work at the Company, and the level of managerial leadership, measured through a dedicated survey carried out among the employees by a qualified external company.) This basket of targets was rounded out with the addition of an overall target with a total weight of 10%, aimed at measuring the shareholders' satisfaction, whose evaluation was left to the opinion expressed through the Board of Directors; for the purpose of this assessment the Board shall specifically take into account the management's efforts and results aimed at supporting the new strategy for corporate development and transformation, which started in fiscal year 2016, assessed among other things in terms of impact on growth and sustainability perspectives in the medium term. The targets thus defined are measured on a linear scale based on three levels: a minimum assigned result level (75%), below which the specific target is not deemed to have been achieved and no economic effect is produced, a target level (100%) and a maximum level (125%). The abovementioned general targets also represent common annual objectives for the Company's top management and its managers in general as a whole, supplementing specific area and/or personal targets and accounting for 60% to the overall targets assigned to top managers with strategic responsibilities.

With regard to the results achieved for the common targets assigned to the Chief Executive Officer for fiscal year 2017, the Board of Directors, meeting on 14 February 2018, upon a recommendation by the Compensation Committee and with the input of the Board of Statutory Auditors, reviewed the data and concluded that the overall performance level achieved by the Chief Executive Officer was 121%. This result will also be used as a reference value for the pro rata portion of the common objectives included in the 2017 MBO form for top managers and all managers.

As is the case for the Chairman, at the express request of the Chief Executive Officer, all compensation that he may earn for the posts in which he serves are paid by Edison Spa to the Parent Company, which is his employer.

- No medium/long-term stock and/or cash incentive tools were introduced for Directors asked to perform special functions (Chairman and Chief Executive Officer). On the other hand, the Board of Directors, meeting on 26 July 2016, upon a recommendation by the Compensation Committee and with the input of the Board of Statutory Auditors, agreed to launch a special medium/long-term cash incentive program for the current 2016-2018 three-year period for top managers with strategic responsibilities, in line with those existing at the Group and taking into account the Company's specific governance structure. The Board of Directors subsequently approved the targets established for this programme (based on parameters involving medium-term cash flow, opex reduction and commercial development on the Italian market), the maximum bonus that could be earned by each beneficiary and the applicable regulation.

This new medium/long-term cash incentive programme for top managers confirms the general compensation policy guidelines structured based on three components (fixed compensation, variable short-term compensation, and long-term variable compensation) recommended and used in the market for comparable companies and completes the current system the Company has in place for a group of middle managers for whom the second Long-Term Incentive (LTI) cycle was launched for the period 2015-2017, whose performance and results are outlined later in this report in Chapter 2.4.

- To date, no claw-back clauses have been introduced concerning the short-term variable component for executive Directors and Managers with strategic responsibilities, in consideration of the contractual employment relation existing between the executive directors in office, the Top Managers and the companies representing the shareholding structure, having regard to the rigorous assessment and monitoring process of the results achieved with regard to the variable component, and also in consideration of the moderate impact of this component in terms of absolute value.

- 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 and in the interest of the Company, its subsidiaries and/or other investee companies, and at associations, entities and foundations.
- The compensation of non-executive Directors, which must be commensurate with the required level of commitment, taking also into account any service on Board Committees, is comprised of a predetermined fixed 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, except for Committee Chairmen, who receive a slightly higher compensation, consistent with market practice, but awarding different amounts to different Committees, based on the required level of commitment. No type of variable compensation tied to Company results is provided in any form.
- With regard to special benefits, please note that: considering the responsibilities of his post and the operational modalities with which he discharges his duties, no special benefits are being provided to the Chairman; as for the benefits provided to the current Chief Executive Officer, their type, purpose and treatment are described earlier in this Report, in the section on fixed compensation, the amount of which includes the economic value of the benefits. A special civil liability insurance coverage is provided by the Company to members of the Board of Directors and Board of Statutory Auditors.
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.
- 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. Said professional relations are regulated by specific individual employment contracts, which for what concerns the continuity of the relations are formally separate and independent from 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. With regard to Edison managers with strategic responsibilities, who are all employees of the Company, also in the event that they are removed or resign from office, only the protections included in the employment contract will apply.
- The Board of Directors has not deemed it necessary to provide for specific succession plans for Directors performing executive duties, as it was thought that the identification of persons to entrust with said role, as well as the requirements, cannot occur before the replacement need arises. On the other hand, succession plans for Top Managers are handled internally within the framework of the turnover processes of top managers and are updated periodically, usually on an annual basis.

2.4 COMPENSATION POLICY FRAMEWORK AND GUIDELINES FOR 2018

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 current year:

- In 2017, the overall domestic economic scenario confirmed the initial positive signs of a reversal of the negative trend that characterized the extended period of crisis, particularly thanks to an upswing in the domestic demand and to a steadily positive export trend. Specifically, the economic and social macro-indicators recorded in Italy in 2017 show a rise in GDP of about 1.5%, up from 0.8% the previous year; inflation in 2017 settled around 1.2%, higher than in the previous year, and is expected to remain stable in 2018. The Italian economy continues to grow more slowly than the euro area, also due to lower public investment in a bid to contain the country's public debt; however, the gap is progressively being filled. Consumption growth is also supported by the improvements in the labour market, in disposable income, and the modest rise in consumption prices.

Industrial investments are recovering, thanks to improved expectations concerning the economy, the most recent fiscal policies supporting the investments of businesses, and to the positive repercussions on the credit market of the ongoing monetary policy of the European Central Bank. The positive trend of the labour market has resulted in increased employment in 2017, playing a role in gradually reducing the unemployment rate, which settled around 11.2%. Youth unemployment also dropped by 10%. However, settling at over 30%, it is still very high compared to the EU average. Youth unemployment is expected to further drop by around 10.8% in 2018, with even more youth employment recovery, also benefitting from the new and recent measures taken by means of government policies.
- The overall positive macro-economic scenario that has registered a moderate increase in Italy, has been reflected also in the Energy Sector. In the electricity sector has been observed a growth of consumption of 1,6% compared to previous fiscal year with a consequence increase of the wholesale prices' level, after the significantly reduction of the previous years.

In Italy, also for the consumption of the natural gas is confirmed a progressively recovery (+6,1%) stabilizing the reversal trend started in 2015. The principal reasons of this recovery are the consumptions of the thermoelectric sector but also the ones in the industry sector.
- Similarly, the labour market in the energy industry experienced increased dynamicity, due to the dramatic transformation the energy market is undergoing both in terms of business models and in terms of the new momentum coming from technological innovation, leading to new strategies, increasingly characterized by the development of renewable sources, by models based on integrated distributed energy platforms and by the development of new energy services bringing added value to the consumer and not only aimed at increased energy efficiency.

The current, far-reaching digital transformation not only gives momentum and speeds up these changes, but it also has increasingly big repercussions on both the expectations of consumers and the services offered to them, and on all corporate processes. Besides leading to the need to rethink and reorganize the services offered to customers and the production processes, it also leads to the need to invest heavily in digital training to keep the skills of current employees up to par, as well as to the need to acquire new skills and new digital expertise from the market. Over the coming years, these will create increasing tension and competitiveness on the labour market, because of the shortage of qualified people possessing that set of skills.
- In the market context described above, the current scenario and the projections concerning compensation policies for Executive Directors, Top Executives and Executives on the domestic market of medium-to large companies, recorded by means of systematic surveys the company avails itself of through analyses provided by specialized external companies, confirm salary policies in 2018 will be in line with the past few years. With specific regard to the Italian general market in 2018, expenditure projections for the salary policies of managers are confirmed to remain in line with the previous fiscal year. and around 2.5% of the total salary for the fixed part, including the residual impact of contractual automatisms. Within this general context, salary policies in the energy industry are increasing slightly less than those of the general market (0.5%) both in final statements for 2017 and in expenditure projections for 2018.
- For several years the Company has been gradually but significantly cutting the compensation of Directors who perform special functions. Consistently with this approach, the Company has also implemented more

modest compensation policies for managers compared to those of the general market, and in line with the energy industry. In fiscal year 2017, in accordance with the guidelines defined by the Board of Directors in implementation of the policies and guidance provided in the Compensation Report approved by the Shareholders' Meeting and the goal to contain operating expenses, the Company's compensation policy applied to top management and management in general, reflected a 1.7% increase. This was slightly lower than the compensation policy approved for the fiscal year, which envisaged an increase of 1.8% maximum. At the end of fiscal year 2017, the second cycle of the LTI programme for 2015-2017 also came to a close. The programme involved 62 managers and young talents, producing results amounting to 70% measured through corporate performance in the three-year period on the assigned economic and financial goals (cash flow after dividends and net result). The results were evaluated by the Board of Directors, after prior opinion from the Remuneration Committee, and also took into consideration the effects connected with the various consolidation perimeters that occurred during the three years, and any extraordinary operations characterized by high unpredictability and significance, as provided for in the relevant approved regulation.

- In terms of economic and industrial results, the Company is continuing the implementation of the plan for growth and profitability recovery, in line with the mission and the development strategy defined within the Group. In particular, the fiscal year 2017 has stood out with the remarkable upswing in economic and financial results compared to the previous fiscal year, which exceeded the targets that had been announced on the market. They were also confirmed by positive performances on key industrial, commercial, and social goals. Besides the organic development, the company has also speeded up the growth on external lines, by means of significant new acquisitions that strengthen its position on the final market of energy and services commodities, and it has also started an internal overhaul aimed at developing digital culture and skills.
- Given the abovementioned market context, it was deemed appropriate to keep the existing compensation policies, which are currently and in effect for executive and non-executive members of the Board of Directors elected for the 2016-2018 three-year period, unchanged for 2018, as they were defined by the Shareholders' Meeting on 22 March 2016 and the following meeting of the Board of Directors, as described in Sections 2.1 and 2.3 above.
- As for the salary policies for top management and Company managers in general for fiscal year 2018, the overall economic market framework and compensation policy projections, particularly regarding the energy industry, show that the adoption of conservative compensation policies is still preferable, in continuity with the levels of recent financial years, particularly with regard to increases in the gross fixed annual component, utilizing the tool of a potential increase in the variable component to increase the competitiveness of the entire economic package to the market, notably with reference to the positions with the greatest impact in terms of business. Consequently, the compensation policy for top management and Company managers in general in 2018 is projected to show an overall increase of no more than 2% for the reference payroll, including residual contractual automatisms and interventions carried out during the year as salary adjustments following the modification of organizational posts with increased managerial responsibility. While still staying below the level of the general market, this policy is deemed adequate and in line with the energy industry. It also allows for adequate levels of competitiveness on the general market, also thanks to the further medium/long-term component (LTI) assigned to corporate managers who are identified as strategic for the development of the company. With regard to LTI, whose second three-year cycle has come to a close, the possibility of opening a third three-year cycle will be evaluated during the year, in line with the previous two cycles, nonetheless trying to reach a synchronisation with the ongoing Top Management plan, which ends with the 2018 fiscal year.
- As for the 2018 targets tied to the variable component of the Chief Executive Officer, it seems appropriate to recommend that the new Board of Directors retain the general structure of a panel that includes economic/financial and operating targets, of an industrial/commercial and social type, that also constitutes a set of common Company targets both for top management and all other company managers.

2.5 OPERATING PROCEDURES

The corporate governance bodies involved in managing the compensation of Directors 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 an advisory 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.
- The Board of Directors, which decides how the compensation awarded by the Shareholders' Meeting should be allocated among its members, unless the Shareholders' Meeting has already defined it, and, based on and consistent with the guidelines set forth in the Compensation Report, determines the compensation for Directors who serve on the Committees established by the Board of Directors. The Board also determines the structure and amount of the compensation of any type for Directors who perform special functions (Chairman and Chief Executive Officer), 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 adopts its resolution after hearing the input of the Board of Statutory Auditors.
- The Board of Directors delegates to the Chief Executive Officer, through the coordination and control of the Company Departments that report to him, the implementation at the operational level of the resolutions adopted concerning compensation and monitors their correct implementation, relying on the support of the Compensation Committee.
Lastly, the Board of Directors prepares the Annual Compensation Report.
- The Compensation Committee, established by the Board of Directors, which also defined the Committee's functions (see the 2016 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 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).
- The Corporate management, which supports the activities of the Compensation Committee with general secretarial service (provided by the Corporate Affairs 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, a member of which may attend Committee meeting upon request and invitation by the Committee).

3. SECTION 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, including those whose term of office ended during the year, earned in 2017 for any reason and in any form, attributable to the Company and its subsidiaries and affiliated companies at December 31, 2017.

Reference period: January 1, 2017 to December 31, 2017 (in thousands of euros)

Beneficiary		Descrip. of post and term 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, 2017</i>								
Jean.Bernard Lévy (a)	Chairman	01.01.17	12.31.17	12.31.18		464	-	
Marc Benayoun (b)	Chief Executive Officer	01.01.17	12.31.17	12.31.18		766	-	
Marie-Christine Aulagnon (c)	Director (e)	01.01.17	12.31.17	12.31.18		63	33	
Béatrice Bigois (d)	Director (e)	01.01.17	12.31.17	12.31.18		64	37	
Paolo Di Benedetto (d)	Director (e) (f) (g) (h)	01.01.17	12.31.17	12.31.18		61	143	
Gian Maria Gros-Pietro (d)	Director (e) (f) (g) (h)	01.01.17	12.31.17	12.31.18		64	141	
Sylvie Jéhanno (c)	Director	01.01.17	12.31.17	12.31.18		63	-	
Nathalie Tocci (d)	Director (f) (g)	01.01.17	12.31.17	12.31.18		64	57	
Nicole Verdier-Naves (d)	Director (f)	01.01.17	12.31.17	12.31.18		66	24	
Total compensation of Directors in office at December 31, 2017						1,675	435	
Total compensation of Directors						1,675	435	
<i>Statutory Auditors in office at December 31, 2017 (i)</i>								
Serenella Rossi	Chairman Board Stat. Audit.	01.01.17	12.31.17	12.31.19		71	-	
Lorenzo Pozza	Statutory Auditor	03.22.17	12.31.17	12.31.19		38	-	
Gabriele Villa	Statutory Auditor	03.22.17	12.31.17	12.31.19		38	-	
Total compensation of Statutory Auditors in office at December 31, 2017						147	-	
<i>Statutory Auditor who resigned their office in 2017</i>								
Giuseppe Cagliero	Statutory Auditor	01.01.17	03.22.17	-		10	-	
Leonello Schinasi	Statutory Auditor	01.01.17	03.22.17	-		10	-	
Total compensation of Statutory Auditors who resigned their office in 2017						20	-	
Total compensation of Statutory Auditors						167	-	
Total compensation Directors and Statutory Auditors at December 31, 2017						1,842	435	
Executives with strategic responsibilities in office at December 31, 2017 (o)						2,530 (p)	-	

(*) 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 Director and Chairman by the Shareholders' Meeting on 22 March 2016.

(b) Confirmed Director by the Shareholders' Meeting on 22 March 2016 and CEO by the Board of Directors on March 22, 2016.

(c) Elected by the Shareholders' Meeting of March 22, 2016.

(d) Confirmed Director by the Board of Directors on March 22, 2016.

(e) Member of the Control and Risk Committee.

(f) Member of the Compensation Committee.

(g) Member of the Committee of Independent Directors.

(h) Member of the Oversight Board.

(i) Elected by the Shareholders' Meeting of March 30, 2017 which also determined the compensation.

(l) Variable compensation for 2017.

(m) Compensation paid directly to the EDF SA company and not to the beneficiary.

(n) Compensation paid directly to the beneficiary.

(o) Includes nine executives.

(p) Compensation for service as an employee.

(q) Please see Table 3.2 below for details.

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							
-	-	-	-	464 (m)	-	-		
605 (l)	-	-	-	1,371 (m)	-	-		
-	-	-	-	96 (m)	-	-		
-	-	-	-	101 (m)	-	-		
-	-	-	-	204 (n)	-	-		
-	-	-	-	205 (n)	-	-		
-	-	-	-	63 (m)	-	-		
-	-	-	-	121 (n)	-	-		
-	-	-	-	90 (m)	-	-		
605	-	-	-	2,715	-	-		
605	-	-	-	2,715	-	-		
-	-	-	-	71 (n)	-	-		
-	-	-	-	38 (n)	-	-		
-	-	-	-	38 (n)	-	-		
-	-	-	-	147	-	-		
-	-	-	-	10 (n)	-	-		
-	-	-	-	10 (n)	-	-		
-	-	-	-	20	-	-		
-	-	-	-	167	-	-		
605 (q)	-	-	-	2,882	-	-		
1,027 (q)	-	99	264	3,920	-	-		

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

Reference period: January 1, 2017 to December 31, 2017 (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	Attendance fees for Committee meetings	Fixed compensation for post held
						(1)	(1)	(2)
<i>Directors in office at December 31, 2016</i>								
Jean.Bernard Lévy (a)	Chairman	01.01.17	12.31.17	12.31.18	464	50	14	400
Marc Benayoun (b)	Chief Executive Officer	01.01.17	12.31.17	12.31.18	766	50	16	700
Marie-Christine Aulagnon (c)	Director (e)	01.01.17	12.31.17	12.31.18	63	50	13	-
Béatrice Bigois (d)	Director (e)	01.01.17	12.31.17	12.31.18	64	50	14	-
Paolo Di Benedetto (d)	Director (e) (f) (g) (h)	01.01.17	12.31.17	12.31.18	61	50	11	-
Gian Maria Gros-Pietro (d)	Director (e) (f) (g) (h)	01.01.17	12.31.17	12.31.18	64	50	14	-
Sylvie Jéhanno (c)	Director	01.01.17	12.31.17	12.31.18	63	50	13	-
Nathalie Tocci (d)	Director (f) (g)	01.01.17	12.31.17	12.31.18	64	50	14	-
Nicole Verdier-Naves (d)	Director (f)	01.01.17	12.31.17	12.31.18	66	50	16	-
Total compensation of Directors in office at December 31, 2017					1,675	450	125	1,100
Total compensation of Directors					1,675	450	125	1,100
<i>Statutory Auditors in office at December 31, 2017 (i)</i>								
Serenella Rossi	Chairman Board Stat. Audit.	01.01.17	12.31.17	12.31.19	71	71	-	-
Lorenzo Pozza	Statutory Auditor	03.22.17	12.31.17	12.31.19	38	38	-	-
Gabriele Villa	Statutory Auditor	03.22.17	12.31.17	12.31.19	38	38	-	-
Total compensation of Statutory Auditors in office at December 31, 2017					147	147	-	-
<i>Statutory Auditor who resigned their office in 2017</i>								
Giuseppe Cagliero	Statutory Auditor	01.01.17	03.22.17	-	10	10	-	-
Leonello Schinasi	Statutory Auditor	01.01.17	03.22.17	-	10	10	-	-
Total compensation of Statutory Auditors who resigned their office in 2017					20	20	-	-
Total compensation of Statutory Auditors					167	167	-	-
Total compensation Directors and Statutory Auditors at December 31, 2017					1,842	617	125	1,100

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

(a) Confirmed Director and Chairman by the Shareholders' Meeting on 22 March 2016.

(b) Confirmed Director by the Shareholders' Meeting on 22 March 2016 and CEO by the Board of Directors on March 22, 2016.

(c) Elected by the Shareholders' Meeting of March 22, 2016.

(d) Confirmed Director by the Board of Directors on March 22, 2016.

(e) Member of the Control and Risk Committee.

(f) Member of the Compensation Committee.

(g) Member of the Committee of Independent Directors.

(h) Member of the Oversight Board.

(i) Elected by the Shareholders' Meeting of March 30, 2017 which also determined the compensation.

(1) Compensation approved by the Shareholders' Meeting of March 22, 2016.

(2) Compensation approved by the Board of Directors on May 10, 2016.

(3) Compensation approved by the Board of Directors on March 22, 2016.

**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 Committee of Independent Directors (3)	Attendance fees for meetings of the Committee of Independent Directors (3)	Honoraria for participating in meetings of the Oversight Board (3)	Attendance fees for meetings of the Oversight Board (3)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
33	24	9	-	-	-	-	-	-
37	28	9	-	-	-	-	-	-
143	23	9	25	4	20	13	40	9
141	23	9	20	4	25	13	40	7
-	-	-	-	-	-	-	-	-
57	-	-	20	4	20	13	-	-
24	-	-	20	4	-	-	-	-
435	98	36	85	16	65	39	80	16
435	98	36	85	16	65	39	80	16
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
435	98	36	85	16	65	39	80	16

3.2 SCHEDULE OF MONETARY INCENTIVE PLANS FOR DIRECTORS AND EXECUTIVES WITH STRATEGIC RESPONSABILITIES

Reference period: January 1, 2017 to December 31, 2017 (in thousands of euros)

Beneficiary			Bonuses of the year			Bonuses of previous years		Other Bonuses	
First and last name	Post held	Plan	Paid/ Payable	Deferred	Deferral period	No longer payable	Paid/ Payable	Still deferred	
Marc Benayoun	Chief Executive Officer	Annual Monetary Incentive Plan 2017 BoD May 5, 2017	605 (a)	-	-	-	525 (c)	-	-
Total			605	-	-	-	525	-	-
Executives with strategic responsibilities									
Compensation in the reporting company		Annual Monetary Incentive Plan 2017	1,027 (b)	-	-	-	-	-	-
		Annual Monetary Incentive Plan 2016	-	-	-	-	801 (d)	-	-
		Long Term Monetary, three-year, Incentive Plan - Period 2016 - 2018 BoD July 27, 2016	-	-	-	10	-	1,101 (e)	-
Compensation from subsidiaries and affiliates		Annual Monetary Incentive Plan 2017	-	-	-	-	-	-	-
Total			1,027	-	-	10	801	1,101	-
Total			1,632	-	-	10	1,326	1,101	-

(a) Variable compensation for 2017. Compensation paid directly to the EDF Sa company and not to the beneficiary.

(b) Variable bonuses for 2017 for nine executives with strategic responsibilities.

(c) Variable compensation for the post of Chief Executive Officer until December 31, 2016, paid in 2017. Compensation paid directly to the EDF Sa company and not to the beneficiary.

(d) Variable bonuses for 2016 for eight executives with strategic responsibilities.

(e) Compensation deferred for the Long Term Monetary, three-year, Incentive Plan - Period 2016 - 2018.

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, their spouses, if not legally separated, and minor children held, directly or through companies they control, nominees or other parties, during the period from December 31, 2016 to December 31, 2017, in Edison and its subsidiaries at December 31, 2017, based on data obtained from the Shareholders' Register, communications received and other available information.

Reference Period: January 1, 2017 to December 31, 2017

First and last name	Post held	Investee Company	Number of shares held at the end of the previous year (12.31.2016)	Number of shares bought	Number of shares sold	Number of shares held at the end of the current year (12.31.2017)
<i>Directors in office at December 31, 2017</i>						
Jean-Bernard Lévy	Chairman		-	-	-	-
Marc Benayoun	Chief Executive Officer		-	-	-	-
Marie-Christine Aulagnon	Director		-	-	-	-
Béatrice Bigois	Director		-	-	-	-
Paolo Di Benedetto	Director		-	-	-	-
Gian Maria Gros-Pietro	Director		-	-	-	-
Sylvie Jéhanno	Director		-	-	-	-
Nathalie Tocci	Director		-	-	-	-
Nicole Verdier-Naves	Director		-	-	-	-
<i>Statutory Auditors in office at December 31, 2017</i>						
Serenella Rossi	Chairman Board Stat. Audit.		-	-	-	-
Lorenzo Pozza	Statutory Auditor		-	-	-	-
Gabriele Villa	Statutory Auditor		-	-	-	-
<i>Statutory Auditors who resigned their office in 2017</i>						
Giuseppe Cagliero	Statutory Auditor		-	-	-	-
Leonello Schinasi	Statutory Auditor		-	-	-	-
Executives with strategic responsibilities at December 31, 2017 (a)			-	-	-	-

(a) Includes nine executives

MOTION

Dear Shareholders,

The Shareholders' Meeting is required to vote on "Section One" of the Compensation Report, which deals with your Company's compensation policies for Directors and Executives with Strategic Responsibilities and the procedures used to adopt and implement those policies. The resolution is not binding.

The Compensation Report was prepared in accordance with the provisions of current laws and regulations and consistent with the Corporate Governance Code for Listed Companies, which your Company adopted.

If you concur with the content of the abovementioned Report, we recommend that you vote to approve "Section One" of the Compensation Report by adopting the following resolution:

"The Shareholders' Meeting,

- being cognizant of the Compensation Report prepared by the Board of Directors, in accordance with the provisions of Article 123-ter of Legislative Decree No. 58/98, as amended, and the guidelines provided in Article 84-quarter, added by the Consob to the Issuers' Regulations with Resolution No. 18049 of December 23, 2011;
- having specifically reviewed "Section One" of the Compensation Report, which deals with the company's compensation policies for Directors and Executives with Strategic Responsibilities and the procedures used to adopt and implement those policies;
- taking into account the Corporate Governance Code for Listed Companies, which the company adopted;
- having acquired the favorable opinion of the Compensation Committee;

resolves

- to approve "Section One" of the Compensation Report.

Milan, February 14, 2018

The Board of Directors
by: Marc Benayoun
Legal Representative

Edison Spa

31 Foro Buonaparte
20121 Milan, Italy

Capital stock 5,377,000,671,00 euros, fully paid
in Milan - Monza - Brianza - Lodi Company Register
and Tax I.D. No. 06722600019
VAT No. 08263330014
REA Milan No. 1698754
edison@pec.edison.it

This document is also available on the
Company website: www.edison.it

Editorial coordination
External Relations and Communications Department

Art direction by
In Pagina, Saronno (Italy)

Photographs by
www.edisonmediacenter.it

Printed by
Faenza Printing Industries Srl, Milan (Italy)

Milan, March 2018

This publication was printed on environmentally friendly paper with low impact on the environment.

