2015
Report on Remuneration

a2a

Contents

This is a translation of the Italian original “Relazione annuale sulla remunerazione 2015” and has been prepared solely for the convenience of international readers. In the event of any ambiguity the Italian text will prevail. The Italian original is available on the website www.a2a.eu

Introduction

This Report on Remuneration (hereinafter also "*Report*") approved on April 15, 2015 by the Board of Directors of A2A S.p.A. (hereinafter also the "*BOD*"), on the proposal of the Appointments and Remuneration Committee (hereinafter also the "*Committee*") has been prepared in compliance with applicable legal and regulatory obligations:

- Article 123-ter of Legislative Decree February 24, 1998 no. 58, transposed in the Consolidated Finance Act;
- Article 84-quater of the Consob Issuers Regulation (Resolution no. 11971 of May 14, 1999 and subsequent amendments and supplements) and related Annex 3A, schemes 7-bis and 7-ter.

The Report is organized in two sections:

- **Section 1 - "2015 Remuneration Policy,"** which describes:
  - the evolution of the governance system and the organizational structure of A2A S.p.A. and the Group that it heads (hereinafter also the "*Company*", "*A2A*" or "*Group*"), which took place during the year 2014;
  - the bodies/parties involved in the drafting, approval and implementation of the Remuneration Policy referred to members of the Board of Directors and Key Managers(1) (hereinafter also "*Key Managers*");
  - the purposes and principles of the Remuneration Policy referred to members of the Board of Directors and Key Managers;
  - the detailed structure of of the Remuneration Policy applied to members of the Board of Directors and Key Managers.

(1) According to the definition of reference outlined by Consob in the "Regulation on related-party transactions no. 17221 of March 12, 2010": *"Key Managers are those persons who have the power and responsibility, directly or indirectly, for planning, directing and controlling of the company's activities, including directors (whether executive or otherwise) of the company".*

- **Section 1 - "Implementation of the 2014 Remuneration Policy,"** which describes:
  - the methods for implementing the 2014 Remuneration Policy;
  - according to the standard established by Consob:
    - in analytic and nominative form, the remuneration paid in 2014 to members of the Supervisory and Management Board (in office until June 13, 2014), members of the Board of Directors (appointed June 13, 2014), General Managers and members of the Board of Auditors (appointed June 13, 2014);
    - in analytical and aggregate form, the remuneration paid in 2014 to Key Managers.

In order to provide a quick overview of the main elements and simplify reading of the Report, before the two sections is a summary overview of the 2015 Remuneration Policy. The following annexes have also been provided:

- a glossary of recurring terms and abbreviations/acronyms used;
- a table for quick identification, in each chapter of the Report, of the information required by Consob.

As required by article 84-quater, paragraph 4, of the Issuers Regulation, the Report also describes the investments held, directly or through investees, trust companies, or third parties, by:

- members of the administrative and control bodies, General Managers and Key Managers;
- not legally separated spouses and children (minors) of the members of the administrative and control bodies, General Managers and Key Managers.

The text of this report was circulated in the manner prescribed by the Consob regulation ("storage mechanism") and made available to the public at the Company's headquarters located in Brescia, via Lamarmora 230 and on the website www.a2a.eu ("Governance" - "Meetings" section), 31 days before the date of the Shareholders' Meeting called to express itself, with non-binding resolution, on the First Section of the Report (in compliance with current legislation which requires the Report to be made available to the public 21 days before the Shareholders' Meeting).

Evolution of the governance system and organizational structure

As required by the Shareholders' Agreement signed by the Municipality of Brescia and the Municipality of Milan regarding the ownership structure and corporate governance of the Group, on June 13, 2014 the Shareholders' Meeting of A2A S.p.A.:

- approved the new text of the By-laws with the adoption of the "traditional" management and control system in replacement of the previous "two-tier" system;
- appointed for three years, the Board of Directors consisting of 12 members (Giovanni Valotti – Chairman; Giovanni Comboni – Vice-Chairman; Antonio Bonomo; Luca Valerio Camerano; Stefano Cao; Michaela Castelli; Elisabetta Ceretti; Mario Cocchi; Luigi De Paoli; Fausto Di Mezza; Stefano Pareglio and Dina Ravera);
- appointed for three years, the Board of Auditors consisting of 3 standing members and 2 substitute members (Giacinto Sarubbi - Chairman; Cristina Casadio - Standing Auditor; Norberto Rosini - Standing Auditor; Onofrio Contu - Substitute Auditor; Paolo Prandi - Substitute Auditor).

Following its establishment, the Board of A2A S.p.A.:

- appointed as Chief Executive Officer (hereinafter "*CEO*"), Luca Valerio Camerano, conferring ample powers for the ordinary management of the Company;
- assigned the Chairman Giovanni Valotti an executive role with specific responsibilities concerning relationships with shareholders, institutions, authorities, the media, external relations and, in collaboration with the CEO, the drafting of proposals related to non-recurring transactions;
- entrusted to the Vice-Chairman, Giovanni Comboni, the responsibility of the Internal Audit of the Group;
- established the following four Committees:
  - Executive Committee, composed of the Chairman Giovanni Valotti, the Vice-Chairman Giovanni Comboni and the CEO Luca Valerio Camerano, with mainly advisory functions for the coordination of the activities of the Executive Directors and proposals to the BOD;
  - Control and Risks Committee, composed of Michaela Castelli (Chairwoman), Mario Cocchi (Vice-Chairman), Fausto Di Mezza and Dina Ravera;

- Appointments and Remuneration Committee, composed of Giovanni Comboni (Chairman), Antonio Bonomo and Stefano Cao;
- Committee for the Territory, composed of Giovanni Valotti (Chairman), Stefano Pareglio (Vice-Chairman), Elisabetta Ceretti and Luigi De Paoli.

In implementing the new governance model, characterized by the centrality of the role of the BOD in business management as well as by the presence of the figures of Executive Chairman and CEO, in July 2014, the Company agreed with the two General Managers then in office, Renato Ravanelli and Paolo Rossetti, respectively a mutual employment termination (with immediate waiver of the proxies, the office of General Manager and the office in the investees) and resignation for retirement (with immediate waiver of the office of General Manager).
At the same time, a new "transitional organizational structure was defined and communicated in order to ensure full continuity and effectiveness in the business organization. This organizational structure was further developed at the beginning of the year 2015.

2015 Remuneration Policy - Summary

Due to the significant evolution of the governance system and organizational structure A2A S.p.A. in 2014, the 2015 Remuneration Policy, described in detail in the First Section of this Report, includes significant changes compared to as described in the 2014 Report on Remuneration.

The following tables (tables 1, 2 and 3) illustrate in summary form all the elements of the remuneration structure defined by:

- Board of Directors:
    - Chairman;
    - Vice-Chairman;
    - Chief Executive Officer;
    - Members;
- Board of Statutory Auditors:
    - Chairman;
    - Members;
- Key Managers.

Table 1: Summary overview of all the elements of the remuneration structure defined for the Board of Directors

	Board of Directors			
	Chairman	**Vice-Chairman**	**Chief Executive Officer**	**Members**
Fixed Remuneration	In addition to the fixed remuneration received as Director (€80k/year), supplementary annual fixed gross remuneration shall be paid depending on the particular role and associated responsibilities (€390k/year). The Chairman also receives additional annual fixed gross remuneration for participation, as Chairman, in the Committee for the Territory (€20k/year). No additional remuneration is instead provided for participation in the Executive Committee.	In addition to the fixed remuneration received as Director (€80k/year), supplementary annual fixed gross remuneration shall be paid for the responsibility for the Internal Audit (€40k/year). The Vice-Chairman also receives additional annual fixed gross remuneration for participation, as Chairman, in the Appointments and Remuneration Committee (€20k/year). No additional remuneration is instead provided for participation in the Executive Committee.	In addition to the fixed remuneration received as Director (€80k/year), supplementary annual fixed gross remuneration shall be paid depending on the particular role and associated responsibilities (€620k/year). No additional remuneration is instead provided for participation in the Executive Committee.	The following shall be paid: • Annual fixed gross remunerations received as Board member (€80k/year) • Annual fixed gross remuneration for participation in Board Committees.
Short-term variable incentives	Not provided	Not provided	Annual variable remuneration shall be paid based on the achievement of short-term targets, payable up to a maximum value of 40% of the total Fixed Remuneration [€280k = 40%*(€620k + €80k€)]	Not provided
Long-term variable incentives	Being studied in consideration of the executive powers assigned, primarily of strategic nature.	Not provided	Being studied in consideration of the responsibility for managing the company with extended strategic and operational powers.	Not provided
Benefits	• Insurance policies (occupational and non-occupational injury; permanent disability due to illness and life); • Supplementary health coverage; • Insurance for civil liability Directors, Auditors and Executives; • Car for mixed-use and use of fuel card	• Insurance policy occupational and non-occupational injuries; • Insurance for civil liability Directors, Auditors and Executives	• Insurance policies (occupational and non-occupational injury; permanent disability due to illness and life); • Supplementary health coverage; • Insurance for civil liability Directors, Auditors and Executives; • Car for mixed-use and use of fuel card	• Insurance policy occupational and non-occupational injuries; • Insurance for civil liability Directors, Auditors and Executives

Table 2: Summary overview of all the elements of the remuneration structure defined for the Board of Auditors

	Board of Statutory Auditors	
	Chairman	**Members**
Fixed Remuneration	Annual fixed gross remuneration shall be paid and received as Chairman of the Board of Auditors (€100k/year)	Annual fixed gross remuneration shall be paid and received as member of the Board of Auditors (€70k/year)
Short-term variable incentives	Not provided	Not provided
Long-term variable incentives	Not provided	Not provided
Benefits	• Insurance policy occupational and non occupational injuries; • Insurance for civil liability Directors, Auditors and Executives	• Insurance policy occupational and non-occupational injuries; • Insurance for civil liability Directors, Auditors and Executives

Table 3: Summary overview of all the elements of the remuneration structure defined for Key Managers

	Key Managers
Fixed Remuneration	Gross Annual Remuneration (RAL) shall be paid determined based on the role and responsibilities assigned as well as the professional specialization and technical, professional and managerial skills required and held.
Short-term variable incentives	Annual variable remuneration shall be paid according to the economic and financial performance of the Group (application of an "access gate") and the achievement of short-term targets assigned. The remuneration is assigned individually and is characterized by a fluctuation range with: • a minimum amount, payable only upon achievement of a minimum performance threshold (15% - 25% of the RAL); • an amount at target payable upon achievement of 100% of the short-term targets assigned (20% - 30% of the RAL); • a maximum amount ("cap") payable in conditions of over-performance (25% - 35% of the RAL). In addition to the "access gate", the same for all Key Managers and closely related to the realization of the economic and financial performance of the Group, the short-term targets are assigned: • economic-financial, operational and/or productivity targets related to the Group's performance and the achievement of the Group's business plan; • 1 - 2 common to all Key Managers; • 3 - 4 specific for organizational area of responsibility.
Long-term variable incentives	Being studied for simultaneous application to the Chairman and Chief Executive Officer
Benefits	• Insurance policies (occupational and non-occupational injury; permanent disability due to illness and life); • Supplementary health coverage; • Insurance for civil liability Directors, Auditors and Executives; • Car for mixed-use and use of fuel card; • Supplementary pension fund

Section 1 – 2015 Remuneration Policy

a. Bodies/parties involved in the adoption and implementation of the Remuneration Policy

The processes of drafting, approval and implementation of the Remuneration Policy referred to the members of the Board of Directors and Key Managers actively engage the corporate boards and corporate organizational structures listed below:

- Shareholders' Meeting;
- Board of Directors;
- Appointments and Remuneration Committee;
- Executive Committee and CEO;
- Human Resources and Organization Division and Administration, Finance and Control Division.

Shareholders' Meeting

Regarding remuneration, the Shareholders' Meeting:

- defines the remuneration of the members of the Board of Directors as Directors. The remuneration is determined at the time of appointment of Directors and is valid for the entire period of office;
- defines the remuneration of the members of the Board of Auditors. The remuneration is determined at the time of appointment of Auditors and is valid for the entire period of office;
- resolution in favour or against (non-binding vote) on Section 1 of the Report provided for in article 123-ter, paragraph 3 of the CFA on the Company's policy on remuneration of the members of the boards of directors, General Managers and Key Managers with reference at least to the following year.

On June 13, 2014, the Shareholders' Meeting appointed for three years, the members of the Board of Directors and the Board of Auditors and determined the following individual annual remuneration:

- €80,000 for the members of the Board of Directors;
- €100,000 for the Chairman of the Board of Auditors;
- €70,000 for the members of the Board of Auditors.

On June 13, 2014, the Shareholders' Meeting also voted in favour on Section 1 of the 2014 Report on Remuneration.

The table below (table 4) outlines the results of the advisory vote cast by the Shareholders' Meeting of 2012 (May 29, 2012), 2013 (June 13, 2013) and 2014 (June 13, 2014) on the Report on Remuneration.

Table 4: Results of the advisory vote cast by the Shareholders' Meeting on Reports on Remuneration 2012, 2013 and 2014.

	Vote on the Report on Remuneration 2012 – Shareholders' Meeting of May 29, 2012	Vote on the Report on Remuneration 2013 – Shareholders' Meeting of June 13, 2013	Vote on the Report on Remuneration 2014 – Shareholders' Meeting of June 13, 2014
Total shares for which the vote was expressed and % of Share capital	2,197,892,815 shares equal to 70.16% of share capital	1,895,023,070 shares equal to 60.49% of share capital	2,211,714,740 shares equal to 70.58% of share capital
Favourable	90%	93%	91%
Against	7%	7%	8%
Abstentions and non-Voters	3%	0%	1%

Board of Directors

Regarding remuneration, the Board of Directors:

- establishes a Remuneration Committee and determines powers and rules of operation, bearing in mind that at least one member of the Committee possesses adequate knowledge and experience in financial matters or remuneration policies;

and in accordance with the By-Laws of the Group:

- establishes, after consulting with the Remuneration Committee and the Board of Auditors, the remuneration for the Directors vested with particular offices, powers or functions by the By-Laws or by the Board itself;
- may attribute special offices or special technical-administrative functions to one or more of its members, in this case resolving special compensation and remuneration, after

consulting with the Remuneration Committee, both upon conferment of the office and subsequently, and following the opinion of the Board of Statutory Auditors;
- approves the Remuneration Policy and submits it to the Shareholders' Meeting called to resolve on the allocation of profits.

In addition, the Board of Directors, with the support of the Remuneration Committee and, where necessary, the competent corporate organizational structures (Human Resources and Organization Division and Administration, Finance and Control Division):
- prepares and implements the short-term incentive system of the CEO, setting the performance targets and approving the related level of achievement;
- establishes the opportunity to set up long-term incentive systems for the Chairman, CEO and specific clusters of the corporate workforce (Key Managers, first-level Management, "key people").

Following the appointment, in 2014, the Board of Directors:
- established an Appointments and Remuneration Committee, aggregating the attributions provided under the previous "Remuneration Committee" and "Appointments Committee";
- appointed as members three Directors (Giovanni Comboni, Chairman; Antonio Bonomo, Stefano Cao) verifying the possession of the independence requirements pursuant to the Corporate Governance Code and the CFA and considering that at least one member has adequate knowledge and experience in financial matters and remuneration policies;
- governed the duties and method of operation of this Committee through the approval of a specific regulation;
- resolved, on the basis of a proposal by the Appointments and Remuneration Committee, remuneration of Board Directors, additional to the individual annual remuneration determined by the Shareholders' Meeting, depending on the particular office assigned (Chairman, Vice-Chairman and Chief Officer) or participation in Committees;
- conferred to the Committee mandate to perform studies on the structuring of a long-term incentive plan for the Chairman, CEO and top management of the Group Management, formulating proposals to the Board in the early months of 2015.

Appointments and Remuneration Committee

The Appointments and Remuneration Committee currently in office and established on June 17, 2014 by the Board of Directors, is composed of three independent Directors pursuant to article 3 of the Corporate Governance Code and the CFA.

The table below (Table 5) outlines the composition.

Table 5: Current Composition - Appointments and Remuneration Committee

Full name	Office	
Giovanni Comboni	**Chairman** Remuneration Committee	Board Director pursuant to article 3 of the Corporate Governance Code and the CFA. Also participates in the Executive Committee, as a member without proxies.
Antonio Bonomo	**Member** Remuneration Committee	Board Director pursuant to article 3 of the Corporate Governance Code and the CFA.
Stefano Cao	**Member** Remuneration Committee	Board Director pursuant to article 3 of the Corporate Governance Code and the CFA.

In compliance with the recommendations of the Corporate Governance Code, at least one member of the Appointments and Remuneration Committee has adequate knowledge and experience in financial matters or remuneration policies, as assessed by the Board at the time of appointment.

The Appointments and Remuneration Committee, in relation to remuneration issues, has the task of assisting the Board with investigative, advisory and proposal functions.
In particular, the Committee is attributed the following tasks:

- periodically assess the adequacy, overall consistency and effective application of the remuneration policy of Directors and Key Managers and formulate proposals to the Board on the matter;
- submit proposals or express opinions to the Board of Directors on the remuneration of Executive Directors and other Directors who hold specific offices or functions and also on the establishment of performance targets related to the variable component of said remuneration;
- submit proposals or express opinions to the Board of Directors on the establishment of performance targets related to the variable incentive systems, verifying the final actual achievement;
- assess the possibility of setting up long-term systems for the Chairman, CEO and Management;
- monitor the application of the decisions adopted by the Board;
- previously examine the Annual Report on Remuneration to be made available to the public in view of the annual budget meeting.

For the effective performance of its analysis and investigation functions, the Committee may access the company information required and seek the operational support of the competent organizational structures.

The Committee, if it deems it appropriate, may also seek the consultancy of external expert companies on remuneration issues, provided that they do not maintain relations with the Group such as to affect the independence of judgement.

The Committee shall meet as often as necessary for the proper performance of its functions. For the meetings to be valid, the presence of the majority of the members in office shall be required.
The resolutions may be adopted only with the favourable vote of the majority of members in office.
Committee meetings are also attended by the Chairman of the Board of Auditors, who may designate another Standing Auditor to attend in place. However, they can also be attended by the other Standing Auditors.
The meetings are also attended by the Director of Human Resources and Organization identified, on the basis of skills and corporate responsibilities assigned, secretary of the Committee.
If necessary, meetings may also be attended by other members of the Board or heads of the company functions or third parties, whose presence may be of support to the activities of the Committee.
However, no Director may attend meetings in which proposals are formulated to the Board of Directors regarding their remuneration.

The meeting calls contain an indication of the topics on the agenda and shall be sent at least two days before the date set, to each member of the Committee and members of the Board of Auditors.

During 2014, on the date of its establishment, the Committee met 7 times to discuss remuneration issues; the participation of its members was 100%. All meetings were regularly held by prior call sent to all parties concerned and for each meeting, minutes were prepared outlining the issues addressed and the decisions taken. The meetings were always attended by the Chairman of the Board of Auditors. The meetings were also attended by the other members of the Board of Auditors.

During this period, the Committee carried out in-depth analyses/studies and, in support of the Board, elaborated proposals for:

- the determination of the remuneration of the Chairman, Vice-Chairman and Chief Executive Officer;
- the determination of the remuneration paid to the Board Directors for participation in Committees;
- the formulation of guidelines on reimbursement of expenses incurred by the Directors and members of the Board of Auditors by virtue of their office.

Moreover, the Committee initiated studies related to the structuring of a long-term incentive plan for the Chairman, CEO and top management of the Group Management. These studies will be completed in early 2015 and the results will be submitted to the Board of Directors for evaluation.

To carry out some of the previous activities, especially for a comparison with the external market and an analysis of the practices used by companies comparable with A2A in complexity and size, the Committee considered it appropriate to rely on a qualified consulting firm.

Specifically, following the comparison made through tender involving three different providers which considered as relevant factors:

- professional experience on the issues of "*executive compensation*";
- reputation in the market;
- skills of the team proposed for the collaboration;
- consistency of the contents of the proposed collaboration with respect to the needs of the Committee;
- fee;

the Committee selected the consulting firm "Mercer".

Executive Committee and CEO

The Executive Committee has the power, upon proposal of the CEO, to define the remuneration of executives, including Key Managers.

The CEO is also responsible for managing all contractual and organizational aspects of the other employees of the A2A Group.

Human Resources and Organization Division and Administration, Finance and Control Division

Activities pertaining to the Remuneration Policy of the members of the boards of directors and Key Managers also involve:

- the Human Resources and Organization Division for the development of analysis to support the management of the Remuneration Policy (by way of example and not limited to: monitoring of the internal remuneration dynamic and market practices/trends; analysis of remuneration levels in terms of internal equity and competitiveness towards markets selected as a reference) and specialized technical support on remuneration issues;

- the Administration, Finance and Control Division for the identification and exploitation of quantitative parameters underlying the variable incentive systems and the ex-post assessment of their level of achievement.

Moreover, the study of long-term incentive plan for the Chairman, CEO and top management of the Group Management, currently also involves the Strategy and Innovation Division.

b. Aims and Principles of the Remuneration Policy

The Remuneration Policy of A2A has the following aims:

Remuneration consistent with responsibilities assigned and activities managed

The remuneration approved by the Board of Directors for the Directors who hold special offices (Chairman and CEO) or functions (Vice-Chairman), or members of the Committees, was defined considering responsibilities/powers assigned and the level of operations and the intensity of work required.

The remuneration of Key Managers was also defined and updated on the basis of the "complexity" of the activities managed, evaluated by applying the Hay methodology recognized and certified internationally, and on the level of coverage of the organizational position assigned.
The fixed component of the remuneration is also sufficient to compensate the activities managed even if the variable component, if applicable, is not paid.

Link between variable remuneration and corporate performance

The short-term variable incentive system provides an access mechanism that cancels or significantly reduces the bonus payable in the event of Company performance not in line with forecasts.
Furthermore, the targets assigned are economic-financial, operational and/or productivity targets related to the Group's performance and the achievement of the Group's business plan.

To further strengthen this purpose, ensuring the sustainability of the company's performance, the Board of Directors conferred mandate to the Appointments and Remuneration Committee to evaluate the opportunity to introduce a long-term incentive plan for the Chairman, CEO and top management of the Group Management.

Remuneration dynamic by merit

To achieve this result, an evaluation is performed of the individual results obtained and the conduct to achieve them.

This evaluation is followed by possible salary increases or ad hoc bonuses if exceptional performance is achieved on extraordinary and strategic initiatives.

Based on these purposes, the remuneration of the Directors, Chairman and Chief Executive Officer and Key Managers is defined in accordance with the following principles:

- Directors: remuneration commensurate with the commitment required also in relation to participation in Committees and also considering the several responsibilities of the latter;
- Chairman, CEO and Key Managers: Fixed Remuneration defined in accordance with the role and responsibilities assigned and anchored to the performance of the reference markets, analyzed through benchmarks and remuneration surveys of leading consulting firms;
- CEO and Key Managers: short-term variable component adequately balanced with respect to the Fixed Remuneration, also in consideration of the practices found on the market, developed with a system able to appreciate the various levels of performance, both individual and corporate;
- Chairman, CEO and Key Managers: assessment on the opportunity to introduce a variable medium to long-term component.

c. Detailed Structure of the Remuneration Policy

c1. Remuneration of the members of the Board of Directors, excluding the Chairman, Vice-Chairman and CEO

The remuneration of individual Directors is divided into:

- fixed annual gross remuneration, approved by the Shareholders' Meeting, received as Board member and equal to €80,000/year;
- fixed annual gross remuneration, approved by the Board of Directors, for participation in the Board Committees, according to as indicated in table 6.

Both remuneration amounts are paid pro-rata for the period of actual office.

Table 6: Annual gross fixed remuneration for participation in Board Committees

Committee	Emolument for participation in Committees (€/year)	
	Chairman	Member
Executive Committee	No amount provided	No amount provided
Control and Risks Committee	30,000	20,000
Appointments and Remuneration Committee	20,000	19,000
Committee for the Territory	20,000	19,000

No attendance tokens are provided for meetings of the Board committees nor, in consideration of the non-executive role, variable monetary incentive systems based on financial instruments or equity.

The remuneration for participation in Board Committees (amounts in table 6 and no provision of attendance tokens) was approved by the Board of Directors following an in-depth study, carried out by the Appointments and Remuneration Committee with the support of the specialized consulting firm Mercer.
In particular, said treatment was defined considering:

- the Remuneration practices of the major companies in the FTSE MIB index;
- the method of operation of the Committees of the leading companies in the FTSE MIB index and Italian companies in the multi-utilities sector;
- the responsibilities assigned as well as the level of operations and the intensity of work required by the Committees;
- the role specificity of the Control and Risks Committee.

In resolving said treatment, the Board of Directors also considered the cost reduction principle of the new governance system.

c2. Remuneration of the Chairman of the Board of Directors

The remuneration package of the Chairman of the Board of Directors includes:

- fixed annual gross remuneration, approved by the Shareholders' Meeting, received as Board member and equal to €80,000/year;
- fixed annual gross remuneration, approved by the Board of Directors, for participation in the Board Committees, according to as indicated in table 6;
- fixed remuneration for the specific office of Chairman for €390,000/year gross, in addition to the two amounts above.

As for the non-executive Directors, all remuneration is paid pro-rata for the period of actual office.

Also in view of an executive nature, the strategic and non-management role of the Chairman and the specificity of powers assigned to the latter, the Board of Directors excluded the allocation of a variable short-term incentive plan. However, it entrusted to the Appointments and Remuneration Committee the task to carry out an in-depth study on the opportunity to provide a variable incentive plan linked to the results of the medium to long term.

Even for the Chairman no attendance tokens are provided for meetings of the Board Committees; moreover, repayment is provided for any remuneration received for participation, as Director, in the Boards of investees.

The remuneration package of the Chairman is completed by the payment of benefits provided to the managerial staff of the Group (details provided in section c6).
Also considering the type of non-subordinate employment contract of the Executive Chairman with the Company, the Board of Directors approved the payment by the Company of pension contributions in separate management.

The aforementioned remuneration payable to the Chairman was approved by the Board of Directors following an in-depth study, carried out by the Appointments and Remuneration Committee with the support of the specialized consulting firm Mercer.
In particular, said treatment was defined considering:

- the remuneration practices of companies with similar characteristics to A2A;
- the executive nature and the strategic importance of the Chairman;
- the responsibilities and powers attributed.

In resolving said treatment, the Board of Directors also considered the cost reduction principle of the new governance system.

c3. Remuneration of the Vice-Chairman of the Board of Directors

The remuneration package of the Vice-Chairman of the Board of Directors includes:

- fixed annual gross remuneration, approved by the Shareholders' Meeting, received as Board member and equal to €80,000/year;
- fixed annual gross remuneration, approved by the Board of Directors, for participation in the Board Committees, according to as indicated in table 6;
- a fixed fee for the responsibility of the Internal Audit of the Group for €40,000/year gross, in addition to the two amounts above.

As for the non-executive Directors, all remuneration is paid pro-rata for the period of actual office.

Even for the Vice-Chairman, no attendance tokens are provided for meetings of the Board Committees.

c4. Remuneration of the Chief Executive Officer

The remuneration package of the CEO includes:

- fixed annual gross remuneration, approved by the Shareholders' Meeting, received as Board member and equal to €80,000/year;
- fixed remuneration for the specific office of CEO for €620,000/year gross, in addition to the two amounts above;
- annual variable remuneration linked to the achievement of short-term targets, with a maximum payable value of 40% of the total emolument (700,000=620,000+80,000) and therefore €280,000/year. For the year 2014, the CEO voluntarily waived this component.

As for the non-executive Directors and the Chairman, all remuneration is paid pro-rata for the period of actual office.

The aforementioned remuneration payable to the Chief Executive Officer was approved by the Board of Directors following an in-depth study, carried out by the Appointments and Remuneration Committee with the support of the specialized consulting firm Mercer.
In particular, said treatment was defined considering:

- the remuneration practices of companies with similar characteristics to A2A;
- the responsibilities and powers attributed.

In resolving said treatment, the Board of Directors also considered the cost reduction principle of the new governance system.

The Board of Directors also entrusted to the Appointments and Remuneration Committee the task of defining, for the CEO, a variable incentive plan linked to the results of the medium to long term.

The Board of Directors also entrusted to the Appointments and Remuneration Committee the task of formulating, with the support of a consulting firm specialized in the sector, a proposal for the short-term variable incentive plan. This proposal will be submitted to the Board of Directors in early 2015.

Even for the CEO, repayment is provided for any remuneration received for participation, as Director, in the Boards of investees.

The remuneration package of the Chief Executive Officer is completed by the payment of benefits provided to the managerial staff of the Group (details provided in section c6).
Also considering the type of non-subordinate employment contract of the Chief Executive Officer with the Company, the Board of Directors approved the payment by the Company of pension contributions in separate management.

c5. Remuneration of Key Managers

In 2013, based on a proposal submitted by the Remuneration Committee in office at the time, the Supervisory Board defined the criteria for the identification of organizational positions of the A2A Group with strategic responsibilities using a standard method of analysis, recognized and certified in internationally, adopted by A2A since its establishment.

The Board of Directors reviewed said criteria and, based on the judgement of the Appointments and Remuneration Committee that considered it timely and objective, resolved to keep it valid.

The A2A Group therefore still recognizes as Key Managers organizational positions with a significant impact on the Group and that, for proper management, require the individual to have high professional knowledge and experience, significant managerial autonomy and a strategic vision over a medium to long term time horizon.

As already mentioned in "Evolution of the governance system and organizational structure," the change of governance in 2014, however, led to a significant evolution of the organizational structure. Therefore, albeit applying the same criteria, the Key Managers are different from those identified in the previous governance system.

Particularly in the current structure, in the Group there are 10 Key Managers, covered by 9 individuals.

However, the remuneration policy applied to Key Managers remained unchanged with respect to as described in the Report on Remuneration published in May 2014.

In fact, the remuneration packages of Key Managers include:

- an annual fixed gross amount determined:
    - based on the role and responsibilities assigned considering the average salary levels applied to roles of comparable complexity, by national companies comparable in size;
    - based on professional specialization and technical, professional and managerial skills required and held;
- a variable short-term component related to individual economic-financial, operational and/or productivity targets related to the Group's performance and the achievement of the Group's business plan, with a target value of about 20% - 30% of the annual fixed gross amount, payable at annual maturity.

An "access gate" is also provided and is the same for all Key Managers and closely related to the achievement of the economic and financial performance of the Group; if the results are not in line with forecasts, it provides a significant reduction or cancellation of the bonus payable.

In addition to the aforementioned “access gate”, the right to receive the variable short-term remuneration, shall apply upon achievement of a minimum threshold of individual performance (“Minimum Performance”), under which the variable amount is not paid.
80% of variable remuneration at target is paid upon achievement of Minimum Performance. Finally, a maximum amount (“Cap”) is established above which, even in the presence of over-performance of the Company and the Manager, no further increase of the amount due shall be provided. This maximum remuneration is equal to 120% of the variable amount at target.

As mentioned above, the Board of Directors entrusted to the Appointments and Remuneration Committee the task to carry out a study on the allocation of a variable incentive plan related to the medium to long term results for the Chairman and for the CEO. This study is also extended to first-line Management and could therefore involve the remuneration package of the aforementioned Key Managers.

c6. Non-monetary benefits

The Directors, excluding the Chairman and Chief Executive Officer, and the members of the Board of Auditors (including the Chairman) shall receive as non-monetary benefits:

- Insurance policy occupational and non-occupational injuries;
- Insurance for civil liability Directors, Auditors and Executives.

Instead, the Chairman, Chief Executive Officer and Key Managers shall receive non-monetary benefits similar to those provided to top management:

- insurance policies (occupational and non-occupational injury; permanent disability due to illness and life);
- supplementary health coverage;
- insurance for civil liability Directors, Auditors and Executives;
- car for mixed-use and use of fuel card.

Key Managers, and most of the company management, shall also receive a supplementary pension fund.

c7. Indemnities in the event of termination of office or termination of employment

For the Directors (including the Chairman, Vice-Chairman and Chief Executive Officer) and the Key Managers, specific indemnities for end of term or agreements that provide indemnities in the event of termination of office, are not provided.

In the absence of specific agreements:

- for members of the management and control boards, indemnities are not provided;
- for the Key Managers, linked to the Company through employment, an indemnity is provided equal to the maximum employees leaving entitlement established by the national collective agreement of reference.

c8. Deferral of cash components and claw-back clauses

To date, there are no mechanisms for deferment in the payment of the fixed or variable component.
In addition, the remuneration policy of A2A does not include ex-post correction mechanisms in the form of claw-back clauses.

The possibility of introducing a claw-back clause in the variable incentive plan linked to medium to long term results is being evaluated, if the introduction of the latter is approved.

c9. Benchmark of other companies on remuneration policies

As outlined in sections “c1”, “c2” and “c4”, the remuneration packages of the Board Directors, including the Chairman and Chief Executive Officer, were approved by the Board of Directors following the studies that considered as an important element also the benchmark with other companies on the market. In particular, consistent with the package to be defined, the study considered companies in the FTSE MIB index, in the multi-utilities sector and/or with similar characteristics to A2A on the Italian and foreign market.

Since its establishment, A2A has also adopted a standard method of analysis of organizational positions recognized and certified internationally. This methodology, which classifies the organizational positions in complexity ranges based on the evaluation of specific indicators, allows comparing roles, in terms of remuneration, with similar complexity both in the domestic market (company) and the foreign market (Italy where salary levels are provided by leading consulting companies).

In particular, as described in the Report on Remuneration published in 2014, A2A uses this methodology to compare the remuneration of Key Managers with the executive market in Italy.

Section 2 – Implementation of the 2014 Remuneration Policy

The following paragraphs describe the remuneration paid in 2014 to:

- Members of the Supervisory and Management Board, in office until June 13, 2014;
- Members of the Board of Directors, in office until June 13, 2014;
- General Managers, in office until July 4, 2014;
- Members of the Board of Statutory Auditors, in office until June 13, 2014;
- Key Managers.

As described below is annexed (tables 1 and 3b) according to the standard established by Consob.

Members of the Supervisory and Management Board

All members of the Supervisory and Management Board were paid the remuneration outlined in Section 1 of the 2014 Report on Remuneration, pro-rata for the actual period of office (164 days).

Members of the Supervisory Board

In 2014, the following remuneration amounts were paid:

- annual fixed emolument equal to:
  - €78,630 (= €175,000/year*164days/365days) for the Chairman of which €24,712 (= €55,000/year*164days/365days) fixed by the Shareholders' Meeting;
  - €38,192 (= €85,000/year*164days/365days) for the Vice-Chairman of which €24,712 (= €55,000/year*164days/365days) fixed by the Shareholders' Meeting;
  - €24,712 (= €55,000/year*164days/365days) for the other members;
- a fixed amount for appointment in the Committees, according to the scheme indicated below (table 9).

Table 9: Gross fixed remuneration paid for participation in Board Committees

Committee	Emolument for participation in Committees (€ – pro-rata amounts on the actual period of office)		
	Chairman	Vice-Chairman	Member
Internal Control	33,699 (=€75,000/year*164days/365days)	28,307 (=€63,000/year*164days/365days)	22,466 (=€50,000/year*164days/365days)
Appointments	13,479 (=€30,000/year*164days/365days)	11,233 (=€25,000/year*164days/365days)	8,986 (=€20,000/year*164days/365days)
Remuneration	13,479 (=€30,000/year*164days/365days)	11,233 (=€25,000/year*164days/365days)	8,986 (=€20,000/year*164days/365days)
Territory	13,479 (=€30,000/year*164days/365days)	11,233 (=€25,000/year*164days/365days)	8,986 (=€20,000/year*164days/365days)

Finally, in accordance with the By-Laws of A2A, members of the Supervisory Board were paid an amount equal to the reimbursement of expenses actually incurred by virtue of their office.

Members of the Management Board (excluding the Chairman)

In 2014, the following remuneration amounts were paid:

- €71,890 (= €160,000/year *164days/365days) for the Vice-Chairman of which €35,945 (= €80,000/year*164days/365days) received as member of the Board;
- €35,945 (= €80,000/year*164days/365days) for the other members.

Finally, in accordance with the By-Laws of A2A, members of the Management Board were paid an amount equal to the reimbursement of expenses actually incurred by virtue of their office.

Chairman of the Management Board

In 2014, the following were paid:

- fixed remuneration of €269,589 (= €600,000/year*164days/365days), of which €35,945 (= €80,000/year*164days/365days) received as member of the Board;
- remuneration of €237,500 related to the variable long-term component payable in the event of termination of the office earlier than the natural expiration of the office of the board.

As indicated in the 2014 Report on Remuneration, in the event of early termination of the office with respect to the natural expiration of the mandate of the Board, in fact, the Chairman of the Management Board, was paid the emoluments due until the date of termination, including the variable component calculated only on complete annuities and with reference to the indicators at December 31 of the year.

Therefore, with specific reference to the variable component, in view of the termination of office on June 13, 2014:

- the short-term component for 2014 was not paid as it is not a complete annuity;
- the long-term component was paid, calculated with reference only to complete annuities (2012 and 2013), pro-forming the targets on the reference period and measuring the balances at December 31, 2013.

In particular, the long-term incentive system of the Chairman of the Management Board includes the following targets:

- CAGR EBITDA (30%);
- % change share value (20%);
- FREE CASH FLOW (50%);

with the correlation mechanism target - bonus indicated in the table below (table 10).
Since the achievement of CAGR EBITDA and FREE CASH FLOW was greater than 100% (CAGR EBITDA Target pro-formed on the two-year period = 9.3%, CAGR EBITDA Balance at December 31, 2013 = 10.7%; FREE CASH FLOW Target pro-formed on the two-year period = €1,030M, FREE CASH FLOW Balance at December 31, 2013 = €1,259M) while the achievement of the % change target of the share value was 75% (A2A positioning compared to competitors of the panel at December 31, 2013 = 2nd place), the long-term component payable was €237,500.

Table 10: Characteristics of the long-term variable incentive system

Objective	Weight	Correlation Mechanism target – bonus
CAGR EBITDA	30%	If the total CAGR EBITDA is lower than 80% of the target, no bonus shall be paid; If the total CAGR EBITDA is higher than 100% of the target, the maximum bonus shall be paid; For total values between 80% and 100% of the target, the bonus to be paid is calculated as follows: • ≥80% and <85% target = bonus 50%; • ≥85% and <90% target = bonus 75%; • ≥90% e <95% target = bonus 90%; • ≥95% and up to 100% target = linear growth of the bonus.
% change share value	20%	If in the ranking of the value of A2A shares compared to the panel selected of the 5 competitors (measured between the beginning and end of the mandate), A2A is ranked: • Third place, the bonus is paid at 50%; • Second place, the bonus is paid at 75%; • First place, the bonus is paid at 100%.
FREE CASH FLOW	50%	If the total FREE CASH FLOW is lower than 80% of the target, no bonus shall be paid; If the total FREE CASH FLOW is higher than 100% of the target, the maximum bonus shall be paid; For total values between 80% and 100% of the target, the bonus to be paid is calculated as follows: • ≥80% and <85% target = bonus 50%; • ≥85% and <90% target = bonus 75%; • ≥90% and <95% target = bonus 90%; • ≥95% and up to 100% target = linear growth of the bonus.

Members of the Board of Directors

All members of the Board of Directors were paid the remuneration outlined in Section 1 of this Report, pro-rata for the actual period of office (201 days for the appointment of the BOD and 197 days for the establishment of the Committees).

In 2014, the following remuneration amounts were paid:

- annual fixed emolument equal to:
  - €258,822 (= €470,000/year*201days/365days) for the Chairman of which €44,055 (= €80,000/year*201days/365days) fixed by the Shareholders' Meeting;
  - €66,082 (= €120,000/year*201days/365days) for the Vice-Chairman of which €44,055 (= €80,000/year*201days/365days) fixed by the Shareholders' Meeting;
  - €385,480 (= €700,000/year*201days/365days) for the CEO of which €44,055 (= €80,000/year*201days/365days) fixed by the Shareholders' Meeting;
  - €44,055 (= €80,000/year*201days/365days) for the other members.
- a fixed amount for appointment in the Committees, according to the scheme indicated below (table 11).

Table 11: Gross fixed remuneration paid for participation in Board Committees

Committee	Emolument for participation in Committees (€ – pro-rata amounts on the actual period of office)	
	Chairman	Member
Executive Committee	No amount provided	No amount provided
Control and Risks Committee	16,192 (=€30,000/year*197days/365days)	10,795 (=€20,000/year*197days/365days)
Appointments and Remuneration Committee	10,795 (=€20,000/year*197days/365days)	10,255 (=€19,000/year*197days/365days)
Committee for the Territory	10,795 (=€20,000/year*197days/365days)	10,255 (=€19,000/year*197days/365days)

Finally, in accordance with the By-Laws of A2A, members of the Board of Directors were paid an amount equal to the reimbursement of expenses actually incurred by virtue of their office.

General Managers

As outlined in "Evolution of the governance system and organizational structure", in July 2014, in implementation of the new governance model, the Company agreed with the General Managers then in office, Renato Ravanelli and Paolo Rossetti, both with an employment contract with the Company:

- Renato Ravanelli - a mutual termination of employment (with immediate waiver of the proxies, the office in the investees and the office of General Manager);
- Paolo Rossetti - resignation for retirement (with immediate waiver of the office of General Manager).

Renato Ravanelli was paid:

- the monthly payments of the Gross Annual Remuneration payable up to the effective date of termination of employment (August 31, 2014);
- an amount of €2,332,901 by way of retirement incentives, agreed with the company as part of the agreed termination of the employment.
  This amount, the result of an agreement concluded thanks to the sense of responsibility of the Manager involved and the Company in the general interest of A2A, was lower than as provided for in the employment agreement of the General Manager, described in the Reports on Remuneration published in the past.

Paolo Rossetti was paid:

- the monthly payments of the Gross Annual Remuneration payable up to the effective date of termination of employment (August 31, 2014);
- an amount of €145,000 in settlement of the short-term variable remuneration for the year 2014.

Concurrently with the termination of the employment, the payment of all the benefits awarded also ceased for both Executives.

In consideration of the specific professionalism and technical skills and experience gained, a one-year consulting contract (September 1, 2014 - August 31, 2015) was signed with Paolo Rossetti. The contract may be extended, at the request of the Company, for a further period of maximum two years.

During this period, Paolo Rossetti will perform professional consultancy activities for the Executive Committee, regarding coordination, study, design, update and supervision in the sectors of production activities and will receive a fee for the first year of €100,000, gross of withholding tax and social security.

This fee may be increased by a further €50,000, gross of withholding tax and social security, if the Executive Committee considers, at the end of the year in office, that the consultancy contributed to the achievement of the objectives defined by the Committee.

Members of the Board of Auditors

All members of the Board of Auditors were paid the remuneration outlined in Section 1 of this Report, pro-rata for the actual period of office (201 days).

In 2014, the following fixed annual emoluments were paid:

- €55,068 (= €100,000/year*201days/365days) for the Chairman;
- €38,548 (= €70,000/year*201days/365days) for the other members.

Finally, in accordance with the By-Laws of A2A, members of the Board of Auditors were paid an amount equal to the reimbursement of expenses actually incurred by virtue of their office.

Key Managers

In 2014, by way of a fixed component, Key Managers were paid a total of €2,138,625; the total variable remuneration amounted to €549,500, with respect to an average achievement of the objectives assigned of approximately 100.2%.

Annex 1 – Glossary

To facilitate the understanding and reading of the Report on Remuneration, a glossary of some recurring terms and acronyms/abbreviations used is provided below.

Term	Abbreviation	Meaning
Corporate Governance Code		Indicate the Corporate Governance Code of the listed companies approved in December 2011 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A. (Italian Stock Exchange)
Appointments and Remuneration Committee	Committee	Refers to the Appointments and Remuneration Committee of A2A S.p.A. established by the Board of Directors on June 17, 2014. It aggregates the attributions provided under the previous "Remuneration Committee" and "Appointments Committee"
Board of Directors	BOD	Refers to the Board of Directors of A2A S.p.A. appointed by the Shareholders' Meeting on June 13, 2014
Management Board		Refers to the Management Board of A2A S.p.A. in office until June 13, 2014
Supervisory Board		Refers to the Supervisory Board of A2A S.p.A. in office until June 13, 2014
Key Managers		Refers to the managers, identified according to the criteria established by the Board of Directors upon the proposal of the Appointments and Remuneration Committee, who have the power and responsibility, directly or indirectly, of the planning, management and control of the Company's activities
Variable amount at target		Refers to the remuneration amount, related to the variable incentive, which shall be paid upon achievement of 100% of the target
Short-term variable incentives	STI	Refers to the annual variable component of remuneration achieved upon achievement of the defined business objectives
Long-term variable incentives	LTI	Refers to the variable component of remuneration achieved upon achievement of the defined business objectives over a time horizon of 3/5 years
Report on Remuneration	Report	Report on Remuneration drafted pursuant to article 123-ter of Legislative Decree no. 58/98 and article 84-quater of the Consob Issuers Regulation (Resolution no. 11971/99 and subsequent amendments and additions)
Gross Annual Remuneration	RAL	Refers to the annual gross fixed component of the remuneration for employees of the company with an employment contract
Consolidated Finance Act	CFA	Legislative Decree February 24, 1998 no. 58 as amended and supplemented

Annex 2 - References between the Report on Remuneration and the information required by Consob

The table below provides an indication of the chapters/sections of the Report which outline the information required by Consob, according to resolution no.18049.

Information Required by Consob - Resolution no. 18049 - Scheme 7-bis	Reference
Bodies or parties involved in the preparation and approval of the remuneration policy, specifying the respective roles, and bodies or parties responsible for the proper implementation of said policy	Page 10
The possible intervention of a Remuneration Committee or other committee competent on the matter, describing the composition (with the distinction between non-executive and independent directors), the competences and methods of operation	Page 12
The name of the independent experts that may be involved in the preparation of the remuneration policy	Page 15
Objectives pursued with the remuneration policy, the principles that underlie it, and any changes in the remuneration policy with respect to the previous financial year	Page 16
Description of the policies of fixed and variable remuneration components, with particular regard to the indication of the relative weight within the overall remuneration and distinguishing between short and medium-long term variable components	Pages 17 to 22
The Policy followed regarding non-monetary benefits	Page 22
With reference to the variable components, description of performance objectives under which they are assigned, distinguishing between short and medium-long term variable components, and information on the link between the change in results and the change in the remuneration	Pages 17 to 22
The criteria used for the assessment of the performance targets at the base of the allocation of shares, options, other financial instruments or other variable components of remuneration	
Information aimed at highlighting the consistency of the Remuneration Policy with the pursuit of the long-term interests of the company and with the policy of risk management, where formalized	
Terms of vesting of rights (vesting period), any deferred payment systems, indicating the periods of deferment and the criteria used to determine said periods and, if required, ex post correction mechanisms	
Information on the possibility of introducing clauses for maintaining in the portfolio financial instruments after their acquisition, indicating the periods of retention and the criteria used to determine said periods	
Policy related to the treatment provided in the event of the resignation or termination of employment, specifying what circumstances determine the onset of the right and the possible link between these processes and the performance of the company	Page 23
Information on the presence of any insurance coverage, social security or pension, other than mandatory ones	Page 22
The remuneration policy possibly followed with reference to: (i) independent directors, (ii) participation in committees and (iii) the conduct of special offices (Chairman, Vice-Chairman, etc.)	Pages 17 to 20
If the remuneration policy was defined using the remuneration policies of other companies as a reference, and if so, the criteria used for the selection of said companies.	Page 23

TABLE 1: Compensation paid to members of administration and control bodies, general managers and other key executives

1/a - Compensation to the Board of Directors (in office since 06/13/2014 - amounts in €)

(A)	(B)	(C)		(D)	(1)
Surname and Name	Office	Period for which the office was covered		End of term	Fixed compensation
		from	to		
Valotti Giovanni	Chairman	06.13.14	12.31.14	12.31.16	216,502 (*)
	Director	06.13.14	12.31.14	12.31.16	44,411 (*)
Comboni Giovanni	Vice-Chairman	06.13.14	12.31.14	12.31.16	22,027
	Director	06.13.14	12.31.14	12.31.16	44,055
Camerano Luca Valerio	CEO	06.17.14	12.31.14	12.31.16	345,101 (*)
	Director	06.13.14	12.31.14	12.31.16	45,433 (*)
Bonomo Antonio	Director	06.13.14	12.31.14	12.31.16	44,055
Cao Stefano	Director	06.13.14	12.31.14	12.31.16	44,055
Castelli Michaela	Director	06.13.14	12.31.14	12.31.16	44,055
Ceretti Elisabetta	Director	06.13.14	12.31.14	12.31.16	44,055
Cocchi Mario	Director	06.13.14	12.31.14	12.31.16	44,055
De Paoli Luigi	Director	06.13.14	12.31.14	12.31.16	44,055
Di Mezza Fausto	Director	06.13.14	12.31.14	12.31.16	44,055
Pareglio Stefano	Director	06.13.14	12.31.14	12.31.16	44,055
Ravera Dina	Director	06.13.14	12.31.14	12.31.16	44,055
(I) Compensation in the company drafting the Financial Statements					1,114,023
(II) Compensation from Subsidiaries and Associates					
(III) TOTAL					**1,114,023**

(*) Includes grossed up expenses.
Camerano Luca Valerio also received an amount of € 51,904 for participation, as a member, in the Board of Directors of subsidiaries and associates. However, said amount was fully paid to the company of belonging.

(2)	(3)		(4)	(5)	(6)	(7)	(8)
Compensation for participation in Committees (**)	Non-equity variable compensation		Non-monetary benefits	Other compensation	TOTAL	Fair value of equity compensation	Indemnity for end of term or employment termination
	Bonuses and other incentives	Participation in the profits					
10,882 (1)			5,300		232,684		
					44,411		
10,795 (2)			374		33,196		
					44,055		
- (3)			4,775		349,876		
					45,433		
10,255 (4)			374		54,684		
10,255 (5)			374		54,684		
16,192 (6)			374		60,621		
10,255 (7)			374		54,684		
10,795 (8)			374		55,224		
10,255 (9)			374		54,684		
10,795 (10)			374		55,224		
10,255 (11)			374		54,684		
10,795 (12)			374		55,224		
121,526			13,820		1,249,368		
121,526			**13,820**		**1,249,368**		

1/b - Compensation to the Board of Auditors (in office since 03/13/2014 - amounts in €)

(A)	(B)	(C)		(D)	(1)
Surname and Name	Office	Period for which the office was covered		End of term	Fixed compensation
		from	to		
Sarubbi Giacinto	Chairman	06.13.14	12.31.14	12.31.16	55,068
Casadio Cristina	Standing Auditor	06.13.14	12.31.14	12.31.16	38,548
Rosini Norberto	Standing Auditor	06.13.14	12.31.14	12.31.16	38,548
(I) Compensation in the company drafting the Financial Statements					132,164
(II) Compensation from Subsidiaries and Associates					
(III) TOTAL					**132,164**

1/c - Compensation to Key Executives (amounts in €)

(A)	(B)	(C)		(D)	(1)
Surname and Name	Office	Period for which the office was covered		End of term	Fixed compensation
		from	to		
Key Executives (10 positions)	-	01.01.14	12.31.14	-	2,138,625

(**) Breakdown Compensation for participation in Committees (appointed 06/17/2014 - amounts in €):

(1) Of which:	
EXECUTIVE COMMITTEE	-
COMMITTEE FOR THE TERRITORY	10,882 (*)
(2) Of which:	
EXECUTIVE COMMITTEE	-
APPOINTMENTS AND COMPENSATION COMMITTEE	10,795
(3) Of which:	
EXECUTIVE COMMITTEE	-
(4) Of which:	
APPOINTMENTS AND COMPENSATION COMMITTEE	10,255
(5) Of which:	
APPOINTMENTS AND COMPENSATION COMMITTEE	10,255
(6) Of which:	
CONTROL AND RISKS COMMITTEE	16,192
(7) Of which:	
COMMITTEE FOR THE TERRITORY	10,255
(8) Of which:	
CONTROL AND RISKS COMMITTEE	10,795
(9) Of which:	
COMMITTEE FOR THE TERRITORY	10,255
(10) Of which:	
CONTROL AND RISKS COMMITTEE	10,795
(11) Of which:	
COMMITTEE FOR THE TERRITORY	10,255
(12) Of which:	
CONTROL AND RISKS COMMITTEE	10,795

(*) Includes grossed up expenses

	(2)	(3)		(4)	(5)	(6)	(7)	(8)
	Compensation for participation in Committees	Non-equity variable compensation		Non-monetary benefits	Other compensation	TOTAL	Fair value of equity compensation	Indemnity for end of term or termination of employment
		Bonuses and other incentives	Participation in the profits					
				474		55,543		
				374		38,922		
				374		38,922		
				1,223		133,388		
				1,223		**133,388**		

	(2)	(3)		(4)	(5)	(6)	(7)	(8)
	Compensation for participation in Committees	Non-equity variable compensation		Non-monetary benefits	Other compensation	TOTAL	Fair value of equity compensation	Indemnity for end of term or termination of employment
		Bonuses and other incentives	Participation in the profits					
	-	549,500		127,884		2,816,009		

1/d - Compensation to the Management Board (in office until 06/13/2014 - amounts in €)

(A)	(B)	(C)		(D)	(1)
Surname and Name	Office	Period for which the office was covered		End of term	Fixed compensation
		from	to		
Tarantini Graziano	Chairman	01.01.14	06.13.14	06.13.14	233,644
	Director	01.01.14	06.13.14	06.13.14	35,945
Silva Francesco	Vice-Chairman	01.01.14	06.13.14	06.13.14	35,945
	Director	01.01.14	06.13.14	06.13.14	35,945
Brivio Giambattista	Director	01.01.14	06.13.14	06.13.14	35,945
Cao Stefano	Director	01.01.14	06.13.14	06.13.14	35,945
Caparini Bruno	Director	01.01.14	06.13.14	06.13.14	35,945
Cappello Maria Elena	Director	01.01.14	06.13.14	06.13.14	35,945
Ravanelli Renato	Director	01.01.14	06.13.14	06.13.14	35,945
Rossetti Paolo	Director	01.01.14	06.13.14	06.13.14	35,945
(I) Compensation in the company drafting the Financial Statements					557,151
(II) Compensation from Subsidiaries and Associates					
(III) TOTAL					**557,151**

Ravanelli Renato also received an amount of € 62,078 for participation, as a member, in the Board of Directors of subsidiaries and associates. However, said amount was fully paid to the company of belonging.
Rossetti Paolo also received an amount of € 412,106 for participation, as a member, in the Board of Directors of subsidiaries and associates. However, said amount was fully paid to the company of belonging.

(2)	(3)		(4)	(5)	(6)	(7)	(8)
Compensation for participation in Committees	Non-equity variable compensation		Non-monetary benefits	Other compensation	TOTAL	Fair value of equity compensation	Indemnity for end of term or termination of employment
	Bonuses and other incentives	Participation in the profits					
	237,500				471,144		
					35,945		
					35,945		
					35,945		
					35,945		
					35,945		
					35,945		
					35,945		
					35,945		
					35,945		
	237,500				794,651		
	237,500				**794,651**		

1/e - Compensation to the Supervisory Board (in office until 06/13/2014 - amounts in €)

(A)	(B)	(C)		(D)	(1)
Surname and Name	Office	Period for which the office was covered		End of term	Fixed compensation
		from	to		
Ranci Ortigosa Pippo	Chairman	01.01.14	06.13.14	06.13.14	53,918
	Director	01.01.14	06.13.14	06.13.14	24,712
Di Mezza Fausto	Vice-Chairman	01.01.14	06.13.14	06.13.14	13,479
	Director	01.01.14	06.13.14	06.13.14	24,712
Baga Marco	Director	01.01.14	06.13.14	06.13.14	24,712
Berdini Alessandro	Director	01.01.14	06.13.14	06.13.14	24,712
Brogi Marina	Director	01.01.14	06.13.14	06.13.14	24,712
Castelli Michaela	Director	01.01.14	06.13.14	06.13.14	24,712
Cocchi Mario	Director	01.01.14	06.13.14	06.13.14	24,712
Manzoli Marco	Director	01.01.14	06.13.14	06.13.14	24,712
Mattinzoli Enrico Giorgio	Director	01.01.14	06.13.14	06.13.14	24,712
Miccinesi Marco	Director	01.01.14	06.13.14	06.13.14	24,712
Mina Andrea	Director	01.01.14	06.13.14	06.13.14	24,712
Pareglio Stefano	Director	01.01.14	06.13.14	06.13.14	24,712
Perona Massimo	Director	01.01.14	06.13.14	06.13.14	24,712
Rosini Norberto	Director	01.01.14	06.13.14	06.13.14	24,712
Zanotti Angelo Teodoro	Director	01.01.14	06.13.14	06.13.14	24,712
(I) Compensi nella società che redige il Bilancio					438,082
(II) Compensi da Controllate e Collegate					
(III) TOTALE					**438,082**

1/f - General Managers (amounts in €) (****)

(A)	(B)	(C)		(D)	(1)
Surname and Name	Office	Period for which the office was covered		End of term	Fixed compensation
		from	to		
Ravanelli Renato	General Manager Corporate and Market Area	01.01.14	07.04.14	07.04.14	466,667
Rossetti Paolo	General Manager Technical Operations Area	01.01.14	07.04.14	07.04.14	373,288

(****) The fees indicated refer to the amounts paid up to the date of leaving the Group (08/31/2014).

(2)	(3)		(4)	(5)	(6)	(7)	(8)
Compensation for participation in Committees (***)	Non-equity variable compensation		Non-monetary benefits	Other compensation	TOTAL	Fair value of equity compensation	Indemnity for end of term or termination of employment
	Bonuses and other incentives	Participation in the profits					
47,178 (1)					101,096		
					24,712		
39,540 (2)					53,019		
					24,712		
8,986 (3)					33,699		
13,479 (4)					38,192		
11,233 (5)					35,945		
17,973 (6)					42,685		
8,986 (7)					33,699		
22,466 (8)					47,178		
13,479 (9)					38,192		
8,986 (10)					33,699		
8,986 (11)					33,699		
11,233 (12)					35,945		
8,986 (13)					33,699		
22,466 (14)					47,178		
8,986 (15)					33,699		
252,964					691,047		
252,964					**691,047**		

(2)	(3)		(4)	(5)	(6)	(7)	(8)
Compensation for participation in Committees	Non-equity variable compensation		Non-monetary benefits	Other compensation	TOTAL	Fair value of equity compensation	Indemnity for end of term or termination of employment
	Bonuses and other incentives	Participation in the profits					
			12,392		479,059		2,332,901
	145,000		16,294		534,582		43,333

(***) Breakdown Compensation for participation in Committees (amounts in €):

(1) Of which:	
INTERNAL CONTROL COMMITTEE	33,699
APPOINTMENTS COMMITTEE	13,479
(2) Of which:	
INTERNAL CONTROL COMMITTEE	28,307
APPOINTMENTS COMMITTEE	11,233
(3) Of which:	
COMMITTEE FOR THE TERRITORY	8,986
(4) Of which:	
REMUNERATION COMMITTEE	13,479
(5) Of which:	
REMUNERATION COMMITTEE	11,233
(6) Of which:	
APPOINTMENTS COMMITTEE	8,986
SUPPORT TO THE INTERNAL CONTROL COMMITTEE	8,986
(7) Of which:	
REMUNERATION COMMITTEE	8,986
(8) Of which:	
INTERNAL CONTROL COMMITTEE	22,466
(9) Of which:	
COMMITTEE FOR THE TERRITORY	13,479
(10) Of which:	
COMMITTEE FOR THE TERRITORY	8,986
(11) Of which:	
APPOINTMENTS COMMITTEE	8,986
(12) Of which:	
COMMITTEE FOR THE TERRITORY	11,233
(13) Of which:	
REMUNERATION COMMITTEE	8,986
(14) Of which:	
INTERNAL CONTROL COMMITTEE	22,466
(15) Of which:	
COMMITTEE FOR THE TERRITORY	8,986

TABLE 3B: Monetary incentive plans in favour of members of the Administrative Body, General Managers and other Key Executives

(A)	(B)	(1)	(2)			(3)			(4)
Surname and Name	Office	Plan	Bonuses in the year			Bonuses in previous years			
			(A) Payable / Paid	(B) Deferred	(C) Period of deferment	(A) No longer payable	(B) Payable / Paid	(C) Deferred	Other Bonuses
Tarantini Graziano	Chairman of the Management Board								
(I) Compensation in the company drafting the Financial Statements		Plan LTI 2012-2013-2014	237,500						
(II) Compensation from Subsidiaries and Associates			-						
(III) TOTAL			**237,500**						
Rossetti Paolo	General Manager Technical Operations Area								
(I) Compensation in the company drafting the Financial Statements		Plan STI 2014	145,000						
(II) Compensation from Subsidiaries and Associates			-						
(III) TOTAL			**145,000**						
Key Executives	-								
(I) Compensation in the company drafting the Financial Statements		Plan STI 2014	549,500						
(II) Compensation from Subsidiaries and Associates			-						
(III) TOTAL			**549,500**						
TOTAL			**932,000**						

The following tables outline the shareholdings of all parties that in 2014 held, even for a fraction of the year, offices as members of the Management and Control Bodies, General Director or Key Manager.

Table 1: Shareholdings of members of the Management and Control Bodies and General Managers

Surname and Name	Office	Investee company	Number of shares held at the end of fy 2013 (or at the date of appointment)	Number of shares purchased in fy 2014	Number of shares sold in fy 2014	Number of shares held at the end of fy 2014 (or at the date of termination of the office if before)
Bonomo Antonio	Director of the Board	A2A S.p.A.	65,000	=	=	65,000
Cocchi Mario	Director of the Board	A2A S.p.A.	1,300,000	=	=	1,300,000
Sarubbi Giacinto	Chairman of the Board of Auditors	A2A S.p.A.	10,000 (1)	=	10,000 (1)	=
Tarantini Graziano	Chairman of the Management Board	A2A S.p.A.	9,800	=	=	9,800
Brivio Giambattista	Director of the Management Board	A2A S.p.A.	130,000	=	130,000	=
Ravanelli Renato	Director of the Management Board and General Manager	A2A S.p.A.	95,500	=	=	95,500
Rossetti Paolo	Director of the Management Board and General Manager	A2A S.p.A.	58,960 (2)	=	=	58,960(2)
Brogi Marina	Director of the Supervisory Board	A2A S.p.A.	10,000	=	=	10,000
Manzoli Marco	Director of the Supervisory Board	A2A S.p.A.	9,000	=	=	9,000
Zanotti Angelo Teodoro	Director of the Supervisory Board	A2A S.p.A.	3,200	=	=	3,200

(1) Held by "Eredi Sarubbi" following succession.
(2) Of which 3,680 shares indirectly held through the not legally separated spouse.

Table 2: Shareholdings of other Key Managers

Number of key managers	Investee company	Number of shares held at the end of fy 2013 (or at the date of appointment)	Number of shares purchased in fy 2014	Number of shares sold in fy 2014	Number of shares held at the end of fy 2014 (or at the date of termination of the office if before)
10 positions	A2A S.p.A.	86,500 (3)	=	12,500	74,000 (3)

(3) Of which 1,000 shares indirectly held through the not legally separated spouse.