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SHAPING THE FUTURE TODAY



Remuneration Report **2017**

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Introduction

This Remuneration Report (hereinafter also the “Report”) was drafted 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 (hereinafter also “CFA”);
- 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;

and in accordance with the Corporate Governance Code recommendations for listed companies of Borsa Italiana S.p.A. (hereinafter also “Corporate Governance Code”).

The Report was approved on April 3, 2017 by the Board of Directors (hereinafter also the “BoD” or “Board”) of A2A S.p.A. (hereinafter also “A2A” or the “Company”), at the proposal of the Remuneration and Appointments Committee (hereinafter also “Committee”).

The Report is organized in two sections:

- First Section outlining:
 - the Remuneration Policy, which is the policy adopted by A2A and the companies controlled by it regarding the remuneration of executive and non-executive members of the Board of Directors and Executives with strategic responsibilities⁽¹⁾ (hereinafter also “Key Executives”);
 - the procedures adopted for the preparation, approval and implementation of the Remuneration Policy as well as the bodies and entities involved.

(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”.

- Second Section outlining:
 - in analytical and nominative form, the remuneration paid in 2016 to executive and non-executive members of the Board of Directors and members of the Board of Auditors, in any capacity and in any form, by the Company and its subsidiaries/associates;
 - in analytical and aggregated form, the remuneration paid in 2016 to the Key Executives, in any capacity and in any form, by A2A and its subsidiaries/associates.

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 outlines in specific tables, the figures related to the investments held, directly or through investees, trust companies, or third parties, by:

- members of the Board of Directors, members of the Board of Auditors and Key Executives;
- not legally separated spouses and children (minors) of the members of the Board of Directors, members of the Board of Auditors and Key Executives.

The information provided in this Report relates, unless otherwise indicated, to April 3, 2017, the date of its approval by the A2A Board of Directors.

This Report is made available to the public at the authorized storage mechanism 1Info on the website www.1info.it, at the Company's headquarters located in Brescia, via Lamarmora 230 and on the website www.a2a.eu ("Governance" - "Shareholders' Meetings" section), at least 21 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).

Governance system and organizational structure of A2A

As of June 16, 2014, the Company has changed its management and control system from “two-tier” to “traditional”, in accordance with the changes to the By-laws approved by the Extraordinary Shareholders’ Meeting of June 13, 2014.

On June 13, 2014, the Shareholders’ Meeting appointed for three years a Board of Directors consisting of 12 members and a Board of Auditors consisting of 3 standing members and 2 alternate members.

The Shareholders’ Meeting to be held May 15, 2017 will therefore be called to appoint the Board of Directors and Board of Auditors for the three-year period 2017-2019, determining, according to the provisions of the Company By-laws, the annual remuneration for the office of Board Director and member of the Board of Auditors.

The following table shows the composition of the Board of Directors and Board of Auditors at the date of this Report.

	Chairman	Vice-Chairman	Chief Executive Officer	Members
Board of Directors	Giovanni Valotti	Giovanni Comboni	Luca Valerio Camerano	• Antonio Bonomo • Giambattista Brivio • Maria Elena Cappello • Michaela Castelli • Elisabetta Ceretti • Luigi De Paoli • Fausto Di Mezza • Stefano Pareglio • Dina Ravera

	Chairman	Auditors
Board of Auditors	Giacinto Sarubbi	Standing: • Cristina Casadio • Norberto Rosini Alternate: • Onofrio Contu • Paolo Prandi

As already specified in the Remuneration Report published in 2015, following its establishment, the A2A S.p.A. Board of Directors:

- appointed Luca Valerio Camerano as Chief Executive Officer, vesting him with broad powers for the Company’s ordinary operations;
- 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.

At the date of publication of this Report, there are also four Board Committees, composed as follows:

Executive Committee	Control and Risks Committee	Remuneration and Appointments Committee	Committee for Territory and Sustainability
• Giovanni Valotti (Chairman) • Giovanni Comboni • Luca Valerio Camerano	• Michaela Castelli (Chairwoman) • Giambattista Brivio • Fausto Di Mezza	• Antonio Bonomo (Chairman) • Giovanni Comboni • Dina Ravera	• Stefano Pareglio (Chairman) • Elisabetta Ceretti • Luigi De Paoli • Giovanni Valotti

2017 Remuneration Policy - Summary

The A2A Remuneration Policy, described in detail in the First Section of this Report and adopted by the Board of Directors, upon the proposal of the Remuneration and Appointments Committee, on April 3, 2017, contains no significant change with respect to as described in the 2016 Remuneration Report.

As indicated in “Governance system and organizational structure of A2A”, the Shareholders’ Meeting to be held May 15, 2017 will be called to appoint the Board of Directors and Board of Auditors for the three-year period 2017-2019, determining, according to the provisions of the Company By-laws, the annual remuneration for the office of Board Director and member of the Board of Auditors.

In addition, for the three-year period 2017-2019, the Board of Directors will be able to make appropriate changes, in terms of objectives, time horizon, structure and amounts, to the A2A Remuneration Policy described below, providing due information to the market.

The following tables (tables 1, 2 and 3) provide a summary of the main elements of the remuneration structure defined for members of the Board of Directors, the members of the Board of Auditors and Key Executives.

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

	Board of Directors			
	Chairman	Vice-Chairman	Chief Executive Officer	Members
Fixed Remuneration: Component not subject to any condition for disbursement	It is composed of the remuneration received as Director (approved by Shareholders' Meeting at the time of appointment of the Board of Directors) in addition to the supplementary remuneration provided for the particular role and associated responsibilities. The Chairman also receives additional remuneration for participation in the Committee for the Territory and Sustainability. Does not receive instead any additional remuneration for participation in the Executive Committee.	It is composed of the remuneration received as Director (approved by Shareholders' Meeting at the time of appointment of the Board of Directors) in addition to the supplementary remuneration provided for responsibility for the Internal Audit. The Vice-Chairman also receives additional remuneration for participation in the Remuneration and Appointments Committee. Does not receive instead any additional remuneration for participation in the Executive Committee.	It is composed of the remuneration received as Director (approved by Shareholders' Meeting at the time of appointment of the Board of Directors) in addition to the supplementary remuneration provided for the particular role and associated responsibilities. The CEO does not receive any additional remuneration for participation in the Executive Committee	It is composed of: • Remuneration received as Director (approved by the Shareholders' Meeting at the time of appointment of the Board of Directors); • Any additional remuneration for participation in Board Committees.
Short-term variable incentives: Component disbursed based on the achievement of short-term objectives	Not provided	Not provided	An "access gate" is envisaged, which reduces or annuls the remuneration payable if the Group's economic-financial performance is not in line with the budget. The objectives are predefined and assigned annually by the BoD, after consultation with the Remuneration and Appointments Committee. For the year 2017, the CEO was also assigned a sustainability target. For disbursement of remuneration, it is necessary to exceed a minimum achievement of objectives; upon exceeding said minimum threshold, remuneration may vary linearly between 26.7% and 40% of Fixed Remuneration depending on the level of achievement of objectives.	Not provided
Long-term variable incentives	Not provided			
Non-monetary 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 the main elements of the remuneration structure defined for the Board of Auditors

	Board of Auditors	
	Chairman	Standing Auditors
Fixed Remuneration: Component not subject to any condition for disbursement	It is composed of the remuneration received as Chairman of the Board of Auditors (approved by Shareholders' Meeting at the time of appointment of the Board of Auditors).	It is composed of the remuneration received as Auditor of the Board of Auditors (approved by Shareholders' Meeting at the time of appointment of the Board of Auditors).
Short and long-term variable incentives	Not provided	
Non-monetary 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 the main elements of the remuneration structure defined for Key Executives

	Key Managers
Fixed Remuneration: Component not subject to any condition for disbursement	It is 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: Component disbursed based on the achievement of short-term objectives	An "access gate" is envisaged, which reduces or annuls the remuneration payable if the Group's economic-financial performance is not in line with the budget. The objectives, predefined and assigned annually, are: • 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 Executives; • 2 - 3 specific for organizational area of responsibility. The Company has decided, starting in 2017, for all Group executives to assign a sustainability target, measurable, consistent with the 2020 Sustainability Plan and the 2030 Sustainability Policy. The remuneration value is: • assigned individually and determined based on the role and responsibilities assigned and balance (pay-mix) with Fixed Remuneration; • characterized by a range of fluctuation with: • a minimum amount, payable only upon exceeding minimum achievement of the objectives (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).
Long-term variable incentives	Not provided
Non-monetary 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.

Section 1 – 2017

Remuneration Policy

a. Preparation, approval and implementation of the Remuneration Policy: procedures, bodies and entities involved

The preparation, approval and implementation of the Remuneration Policy related to the members of the Board of Directors and Key Executives requires the involvement and contribution of various bodies and entities depending on the recipient to which it is addressed and specifically:

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

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;
- defines the remuneration of the members of the Board of Auditors. The remuneration is determined at the time of appointment of Auditors;
- 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 and auditors, General Managers and Key Executives with reference at least to the following year.

On June 13, 2014, the Shareholders' Meeting determined, for the period of office of the Board of Directors and the Board of Auditors, the following annual remuneration:

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

On June 7, 2016, the Shareholders' Meeting approved the proposal made by the Board of Directors to adapt the remuneration of the Board of Auditors bringing the annual remuneration to:

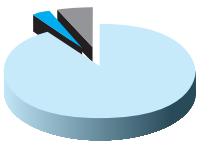
- 130,000 euro for the Chairman of the Board of Auditors;
- 80,000 euro for Standing Auditors.

On June 7, 2016, the Shareholders' Meeting also voted in favour on Section 1 of the 2016 Remuneration Report.

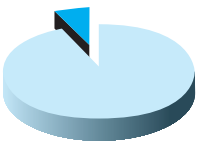
The figure below (figure 4) outlines the results of the advisory vote by the Shareholders' Meeting of 2012 (May 29, 2012), 2013 (June 13, 2013), 2014 (June 13, 2014), 2015 (June 11, 2015) and 2016 (June 7, 2016) on the Remuneration Report.

Figure 4: Results of the advisory vote by the Shareholders' Meeting on the 2012, 2013, 2014, 2015 and 2016 Remuneration Reports

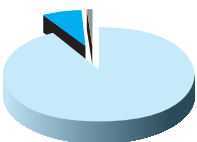
2012 Remuneration Report	
Total shares for which the vote was expressed	2,197,892,815
Share capital	3,132,905,277
% Shares for which the vote was expressed of Share capital	70.16%
	%
Favourable	89.92%
Against	3.01%
Abstention + Non-Voter	7.08%



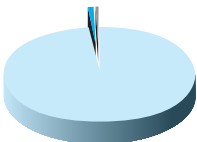
2013 Remuneration Report	
Total shares for which the vote was expressed	1,895,023,070
Share capital	3,132,905,277
% Shares for which the vote was expressed of Share capital	60.49%
	%
Favourable	93.08%
Against	6.92%
Abstention + Non-Voter	0.00%



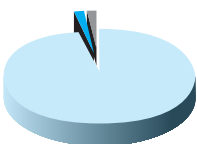
2014 Remuneration Report	
Total shares for which the vote was expressed	2,201,035,232
Share capital	3,132,905,277
% Shares for which the vote was expressed of Share capital	70.26%
	%
Favourable	90.93%
Against	8.32%
Abstention + Non-Voter	0.75%



2015 Remuneration Report	
Total shares for which the vote was expressed	1,954,707,234
Share capital	3,132,905,277
% Shares for which the vote was expressed of Share capital	62.39%
	%
Favourable	98.63%
Against	1.07%
Abstention + Non-Voter	0.30%



2016 Remuneration Report	
Total shares for which the vote was expressed	2,031,824,030
Share capital	3,132,905,277
% Shares for which the vote was expressed of Share capital	64.85%
	%
Favourable	96.39%
Against	1.97%
Abstention + Non-Voter	1.64%



Favourable Against Abstentions and non-Voters

Board of Directors

Regarding remuneration, the Board of Directors:

- established a Remuneration and Appointments Committee and determined the powers and rules of operation thereof, bearing in mind that at least one of the members 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 and Appointments 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 of Directors;
- may attribute special offices or special technical-administrative functions to one or more of its members, in this case resolving special compensation and particular remuneration, both upon conferment of the office and subsequently, after consulting with the Remuneration and Appointments Committee and the opinion of the Board of Auditors;
- approves the Remuneration Policy and submits it to the Shareholders' Meeting called to resolve on the allocation of profits.

Furthermore, the Board of Directors, with the support of the Remuneration and Appointments Committee and, where necessary, the competent corporate organizational structures (Human Resources, Organization and Change Management and Administration, Finance and Control) is responsible for the preparation and implementation of the short-term incentive system of the CEO, setting the performance objectives and approving the related level of achievement.

Regarding remuneration, in 2016, the Board of Directors:

- approved a change to the composition of the Remuneration and Appointments Committee, appointing Antonio Bonomo as Chairman and Giovanni Comboni and Dina Ravera as members;
- analyzed and approved the short-term incentive system of the CEO for 2016, upon the proposal of the Remuneration and Appointments Committee;
- attested, on the basis of the analyses and review conducted by the Remuneration and Appointments Committee, the level of achievement of the targets assigned to the CEO for 2015.

The Board of Directors also approved an update to the Regulation of the Remuneration and Appointments Committee in order to harmonize the regulations of all A2A Board Committees.

Remuneration and Appointments Committee

The Remuneration and Appointments Committee was established on June 17, 2014 by the Board of Directors. At the date of incorporation, the Committee was composed of the following Directors: Giovanni Comboni (Chairman), Antonio Bonomo and Stefano Cao.

On April 29, 2015, the Director Stefano Cao resigned from the office of Director and consequently also from member of the Remuneration and Appointments Committee.

On June 22, 2015 the Board of Directors therefore appointed the Director Dina Ravera member of the Remuneration and Appointments Committee, in place of the outgoing Stefano Cao.

Subsequently, on January 25, 2016, the Board of Directors approved the composition of the Remuneration and Appointments Committee indicated in table 5 and valid at the date of publication of this Report.

Table 5: Current Composition - Remuneration and Appointments Committee

Full name	Office	
Antonio Bonomo	Committee Chair	Independent Board Director pursuant to art. 148 CFA and criteria 3.C.1 of the Corporate Governance Code.
Giovanni Comboni	Committee Member	Independent Board Director pursuant to art. 148 CFA.
Dina Ravera	Committee Member	Independent Board Director pursuant to art. 148 CFA and criteria 3.C.1 of the Corporate Governance Code.

The Remuneration and Appointments Committee has the task of assisting the Board of Directors with investigative, advisory and proposal functions.

In particular, the Committee is attributed the following tasks:

- periodically assess the adequacy, overall consistency and concrete application of the remuneration policy of Directors and Key Executives, availing itself, in this latter context, of the information provided by the Chief Executive Officers;
- submit proposals to the Board of Directors 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;
- assess the possibility of setting up long-term incentive systems for the Chairman, CEO and first-level Management;

- monitor the implementation of decisions taken by the Board itself, verifying, in particular, the actual achievement of performance targets;
- previously examine the Annual Remuneration Report to be made available to the public in view of the Shareholders' Meeting for the annual financial statements;
- propose to the Board of Directors candidates for the office of Director in cases of co-option, if it is necessary to replace independent Directors;
- perform preliminary investigation on the drafting of the plan for the succession of executive Directors, if the Board of Directors has assessed the adoption of said plan;
- submit to the Board of Directors proposals for the appointment and remuneration in the corporate bodies of the subsidiaries on the basis of the "Guidelines for the appointment and remuneration of members of the corporate bodies of investees";
- perform any other tasks assigned by the Board of Directors.

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.

In the terms established by the Board of Directors and the within the limits of the annual budget approved by the Board of Directors, the Committee, if it deems it appropriate, may also seek the consultancy of external expert companies on issues addressed, provided that they do not maintain relations with the Group such as to affect the independence of judgement. In 2016, the Committee did not resort to the support of external companies.

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 Head of Human Resources, Organization and Change Management 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 of Directors 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 three business days before the date set (except in cases of urgency in which the term is reduced to one day), to each member of the Committee and members of the Board of Auditors.

In 2016, the Committee met 12 times; 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. Most of the meetings were also attended by the other members of the Board of Auditors. In some cases, the meetings were also attended by other parties invited by the Committee Chairman.

In 2016, the Committee:

- analyzed the proposals for appointment of the members of the governing bodies of investees, examining the Curricula Vitae of the candidates and expressing opinion for subsequent resolution in the Board of Directors;
- analyzed the level of achievement of the targets assigned to the CEO and in particular:
 - verified, at the same time as the definition of the draft financial statements, the level of achievement of the economic-financial targets;
 - analyzed in detail the result of the targets of specific projects;
 - for the qualitative assessment of the work of the CEO, collected the contributions of the Board Directors expressed according to predefined criteria;
- defined the proposal, to be submitted to the Board of Directors, for the short-term incentive system of the CEO for 2016;
- analyzed the remuneration instruments applied in the Group, divided by population cluster (executives, managers, employees and workers), also examining the numerical evidence of the various actions taken on the workforce in the year's remuneration policy process;
- analyzed the performance of the shareholders' meeting voting from 2012 to 2016 as well as the opinions and suggestions presented in the Shareholders' Meeting of June 7, 2016 by the shareholders, including institutional investors;
- examined the issue of the application of the Corporate Governance Code with regard to the guidelines to shareholders on managerial and professional figures whose presence on the board is considered appropriate.

In addition, to support the implementation of the commitments that A2A has set for an increasingly sustainable business, the Remuneration and Appointments Committee, in consultation with the Committee for the Territory and Sustainability and with Top Management, has defined a model for assignment, starting in 2017, to the Chief Executive Officer and all executives of the Company of a sustainability target, measurable, consistent with the 2020 Sustainability Plan and the 2030 Sustainability Policy.

The Committee has also defined a proposal for changes to the Committee Regulation, aimed at harmonizing the Regulations of all A2A Board Committees, to be submitted for approval by the Board of Directors.

At the end of 2016, the Committee also scheduled the activities to be performed during the following year and, at April 3, 2017, has held 4 meetings in 2017 which covered the following topics:

- appointment and remuneration in the corporate bodies of investees with the definition of proposals to be submitted to the Board of Directors;
- short-term incentive systems of the CEO for the purpose of both definition of the proposal for the year 2017 and verification of achievement of performance objectives for the year 2016;
- finalization of the model for the assignment of sustainability targets and verification of correct application thereof;
- Remuneration Report with the preparation of this document to be submitted for approval to the Board of Directors.

Executive Committee and CEO

Upon the proposal of the CEO, the Executive Committee has the power to approve the remuneration policies of executives, including Key Executives.

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

Human Resources, Organization and Change Management and Administration, Finance and Control

Activities pertaining to the Remuneration Policy of the Board of Directors and Key Executives also involve:

- Human Resources, Organization and Change Management for technical-specialist assistance on remuneration issues and for the elaboration of support analyzes such as, by way of example but not limited to, monitoring of internal remuneration and market trends; studies and benchmarks of market practices and trends; analysis of remuneration levels in terms of internal equity and competitiveness with respect to markets selected as reference;
- Administration, Finance and Control for the identification and valorization of quantitative parameters underlying the variable incentive systems and the ex-post assessment of their level of achievement.

b. Aims and Principles of the Remuneration Policy

The A2A Remuneration Policy aims to:

- attract, retain and motivate people with the professional skills necessary to successfully manage the Company;
- recognize the professional merit and compliance with the Code of Ethics of the Company and integrity of conduct;
- guarantee fair conditions within the organization and competitiveness with respect to other companies of comparable sectors in terms of business and size;
- align the interests of its people to the pursuit of the priority objective of creating value for shareholders and the achievement of predetermined economic results, through the use of variable components.

In the definition of the Remuneration Policy, the Board of Directors therefore applies the following criteria:

- Remuneration consistent with responsibilities assigned and activities managed:
 - The remuneration of Directors who hold special offices (Chairman and CEO) or functions (Vice-Chairman), or members of the Board Committees, was defined considering responsibilities/powers assigned and the level of operations and the intensity of work required. For their determination, the remuneration practices of companies selected as reference panel were also analyzed;
 - The remuneration of Key Executives was also defined and updated on the basis of the “complexity” of the activities managed, evaluated by applying an internationally recognized and certified methodology, and on the level of coverage of the organizational position assigned;
 - The fixed component of the remuneration, not subject to performance conditions for disbursement, is also such to compensate the activities managed even if the variable component, if applicable, is not disbursed.
- Link between variable remuneration and corporate performance:
 - The fixed component and the variable component are properly balanced according to the strategic objectives and the Company’s risk management policy, also taking account of the sector and the characteristics of the activity in which it operates;
 - The 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;
 - The targets assigned are predetermined, measurable and economic-financial, operational and/or productivity targets related to the Group’s performance and the achievement of the Group’s business plan;
 - Maximum limits are provided for the variable component.

- Recognition of wage increases for merit in compliance with the Code of Ethics and conduct integrity:
 - The individual results obtained and the conduct for the achievement thereof are periodically measured in order to assess possible wage growths;
 - Adherence to conduct in compliance with the Company's Code of Ethics and integrity of conduct are also verified and evaluated.

c. Detailed Structure of the Remuneration Policy

The structure of the Remuneration Policy for the year 2017, described in detail below, reflects the decisions made regarding the remuneration of the Board of Directors during the previous year and illustrated on June 7, 2016 to the Shareholders' Meeting.

As anticipated in "Governance system and organizational structure of A2A", the Shareholders' Meeting to be held May 15, 2017 will be called to appoint the Board of Directors and Board of Auditors for the three-year period 2017-2019, determining, according to the provisions of the Company By-laws, the annual remuneration for the office of Board Director and member of the Board of Auditors.

In addition, for the three-year period 2017-2019, the Board of Directors will be able to make appropriate changes, in terms of objectives, time horizon, structure and amounts, to the A2A Remuneration Policy described below, providing due information to the market.

The following shall therefore be considered valid at the date of publication of this Report, but may vary also significantly in 2017.

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

The remuneration of the individual Board Directors, not vested with special offices, powers or functions, consists of:

- the fixed annual gross remuneration, approved by the Shareholders’ Meeting upon appointment, received as Board member and equal to 80,000 euro/year;
- the fixed annual gross remuneration, approved by the Board of Directors, for participation in the Board Committees, according to as indicated in table 6. Said remuneration is commensurate to the commitment required and therefore has different amounts for the Control and Risk Committee, in terms of greater commitment required, and the Chairman, in view of the role assigned for work coordination and liaison with the corporate bodies and corporate functions.

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

Committee	Emolument for participation in Committees (euro/year)	
	Chairman	Member
Executive	No amount provided	
Control and Risks	30,000	20,000
Remuneration and Appointments	20,000	19,000
For Territory and Sustainability	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 was approved in 2014 by the Board of Directors considering:

- the remuneration practices of the major companies in the FTSE MIB index;
- the method of operation of the Board 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 Board 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 euro/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 euro/year gross, in addition to the two amounts above.

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 Directors of investees.

The remuneration package of the Chairman is completed by the provision of non-monetary benefits provided to the managerial staff of the Group (details provided in paragraph 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 remuneration of the Chairman described above was approved in 2014 by the Board of Directors 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 euro/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 euro/year gross, in addition to the two amounts above.

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 euro/year;
- fixed remuneration for the specific office of CEO for 620,000 euro/year gross, in addition to the amount above;
- annual variable remuneration linked to the achievement of short-term targets assigned annually by the Board of Directors, with a maximum payable value of 40% of the total emolument (700,000 euro = 620,000 euro + 80,000 euro) and therefore 280,000 euro/year.

The annual variable remuneration envisages:

- an "access gate", based on two economic-financial indicators, which reduces or annuls the remuneration payable if the Group's economic-financial performance is not in line with the budget of the year of reference;
- five objectives:
 1. EBITDA (25% weight) of the Company in financial year 2017;
 2. Industrial Cash Flow (25% weight) of the Company at 12/31/2017;
 3. Strategic projects for the Group (30% weight) identified by the Board of Directors (projects relevant for the Company's medium/long-term profitability);
 4. Sustainability Target (5% weight);
 5. Qualitative assessment of the Board of Directors on the work of the Chief Executive Officer (weight 15%).

In particular:

- Strategic projects for the Group: five key initiatives relevant were identified and assigned for the implementation of the Company's Business Plan, objectively measurable in their implementation and relating to:
 - Strategic actions for maintenance and development of the business;
 - The Operational Excellence program to optimize the performance of business processes in terms of effectiveness, quality and efficiency and the adoption of a corporate system for continuous performance improvement;
 - The projects to optimize the Group's costs.
- Sustainability target: as indicated above, to support the implementation of the commitments that A2A has set for an increasingly sustainable business, the Remuneration and Appointments Committee, in consultation with the Committee for the Territory and Sustainability and with Top Management, has defined a model for assignment, starting in 2017, to all executives of the Company of a sustainability target, measurable, consistent with the 2020 Sustainability Plan and the 2030 Sustainability Policy.

Under this model, the Board of Directors resolved to assign also to the CEO a specific target the achievement of which will be assessed as average of the achievements of the individual targets assigned to Executives reporting directly to him;

- Qualitative assessment of the Board of Directors on the work of the CEO, to consider strategic elements that are not related to the outcome of short-term targets. This assessment will be performed ex post through a structured process, coordinated by the Chairman of the Remuneration and Appointments Committee, with the involvement of the Chairman of the Board of Auditors.

In addition to the “access gate”, it is required to achieve a minimum of the objectives below which the remuneration shall not be paid; upon exceeding said minimum achievement, the remuneration may vary linearly between 26.7% and 40% of the total emolument (700,000 euro) depending on the level of achievement of objectives.

The 40% of the overall emolument (280,000 euro) represents a maximum amount (“Cap”) above which, even in the presence of over-performance of the Company and the CEO, no further increase of the amount due shall be provided.

The remuneration of the CEO described above was approved by the Board of Directors in 2014 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.

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

The remuneration package of the Chief Executive Officer is completed by the provision of non-monetary 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 Executives

Based on a proposal submitted by the Remuneration and Appointments Committee, the Board of Directors defined the criteria for the identification of the organizational positions of the A2A Group with strategic responsibilities, using a standard method of analysis, recognized and certified internationally, adopted by A2A since its establishment.

The A2A Group therefore recognizes as Key Executives organizational positions with a significant impact on the Group performance 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 stated in the Remuneration Report published last year, at December 31, 2015, there were 9 organizational positions in the Group with strategic responsibilities, covered by as many holders. At the beginning of the year, following a change in the organizational structure, the number of organizational positions with strategic responsibilities fell to 8, without further changes in 2016.

The remuneration packages of Key Executives 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, and managerial skills required and held;
- a short-term variable component related to individual targets with a target value equal to approximately 20%-30% of the annual gross fixed amount.

For the year 2017, Strategic Executives were assigned targets related to

- achievement of EBITDA and budget cost targets, by area of competence;
- realization of the program for improvement of the Group's efficiency;
- realization of the Group's business plan;
- sustainability as previously recalled.

The variable remuneration includes the same "access gate" applied to the CEO, based on two economic-financial indicators, which reduces or annuls the remuneration payable if the Group's economic-financial performance is not in line with the budget of the year of reference.

In addition to the "access gate", it is required to achieve a minimum of the objectives below which the remuneration shall not be paid; upon exceeding said minimum achievement, the remuneration may vary linearly between 80% and 120% of the economic value at target. The 120% of the economic value at target represents a maximum amount ("Cap") above which, even in the presence of over-performance of the Company and the Key Executive, no further increase of the amount due shall be provided.

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 Executives 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.

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

For non-executive Board Directors, the Chairman of the Board of Directors and the Key Executives, 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:

- the non-executive Board Directors and the Chairman of the Board of Directors are not recognized indemnities;
- for the Key Executives, 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.

As indicated in 2016 Remuneration Report, the Board of Directors had approved the signing of an agreement with the CEO aimed at regulating the case of early termination of the mandate with respect to the expiry for facts not attributable to the latter. As there was no early termination of the mandate with respect to the natural expiry, said agreement has in fact become irrelevant.

Instead, the non-competition agreement stipulated with the CEO remains in force, to protect company interest and to be applied upon expiry of the mandate in the absence of reappointment. Specifically, said non-competition agreement requires not to perform, for the period of six months from termination of office, activities - either personally or by proxy and in any form of work (employment or autonomous) - in favour local or national Utilities operating

in Italy in competition with the Company in the production, commercialization and distribution of electricity, natural gas, heat, water and waste.

The agreement contemplates:

- the recognition of an amount equal to 50% of the fixed annual remuneration received as Director and for the specific position of CEO as well as an additional amount of 50% of the average annual variable remuneration paid in the last two years of duration of the administration relation;
- in case of breach of the agreement, the return of the amount already paid and the forfeiture of the obligation of the Company to make further payments;
- the possibility for the Company to proceed with the request for compensation for damages.

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.

c9. Benchmark of other companies on remuneration policies

As outlined in paragraphs “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, A2A uses this methodology to compare the remuneration of Key Executives with the executive market in Italy.

Section 2 – Implementation of the 2016 Remuneration Policy

The following paragraphs describe the remuneration paid in 2016 to:

- Members of the Board of Directors;
- Members of the Board of Auditors;
- Key Executives.

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

Members of the Board of Directors, excluding the Chief Executive Officer

The members of the Board of Directors were paid remuneration consistent with as described in Section 1 (paragraphs c1, c2 and c3) of the 2016 Remuneration Report.

Specifically in 2016, each Board Director was paid following amounts:

- fixed annual gross remuneration, approved by the Shareholders' Meeting, received as Board member and equal to 80,000 euro/year;
- a fixed annual gross amount, approved by the Board of Directors, for participation in the Board Committees, according to the following scheme (table 11).

In addition to the above amounts, as approved by the Board of Directors, the Chairman was paid an amount of 390,000 euro for the specific office assigned while the Vice-Chairman was paid an amount of 40,000 euro for the responsibility of the Internal Audit.

The directors of the Remuneration and Appointments Committee that changed role within the same Committee in 2016 (Antonio Bonomo; Giovanni Comboni) were paid pro-listed amounts for the actual period of office.

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 in the event of change of committee/role in 2016).	
	Chairman	Member
Executive	No amount provided	
Control and Risks	30,000 euro/year	20,000 euro/year
Remuneration and Appointments	20,000 euro/year	19,000 euro/year
For Territory and Sustainability	20,000 euro/year	19,000 euro/year

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.

The annexed table (1a) also indicates, for Directors, the value of non-monetary benefits recognized.

Chief Executive Officer

In 2016, the following amounts were paid to the Chief Executive Officer:

- fixed annual gross remuneration, approved by the Shareholders' Meeting, received as Board member and equal to 80,000 euro/year;
- a fixed annual gross amount, approved by the Board of Directors for the specific office assigned, amounting to 620,000 euro/year.

The CEO was also paid a variable remuneration amounting to 280,000 euro for 120% achievement of the objectives assigned by the Board of Directors for the year 2016.

In early 2017, the Board of Directors, with the support of the Remuneration and Appointments Committee, actually verified and certified the level of achievement of the objectives assigned for the year 2016 to the Chief Executive Officer:

- EBITDA (weight 25%);
- Industrial Cash Flow (weight 25%);
- Strategic projects for the Group (30% weight) identified by the Board of Directors;
- Qualitative assessment of the Board of Directors on the work of the Chief Executive Officer (weight 20%);

calculating the resulting % of overall achievement.

The annexed table (1a) also indicates, for the CEO, the value of non-monetary benefits recognized.

Members of the Board of Auditors

The members of the Board of Auditors were paid the following remuneration, approved by the Shareholders' Meeting of June 7, 2016, upon the proposal of the Board of Directors:

- to the Chairman, an annual gross fixed remuneration approved by the Shareholders' Meeting amounting to 130,000 euro/year;
- to the Standing Auditors, a gross fixed remuneration approved by the Shareholders' Meeting amounting to 80,000 euro/year;

as well as the amounts relating to the adjustment of the increase of the annual compensation for the period of office prior to 2016.

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.

The annexed table (1b) also indicates, for the Chairman and for the Standing Auditors, the value of non-monetary benefits recognized.

Key Managers

In 2016, by way of a fixed component, Key Executives were paid a total of 1,965,973 euro/year; the total of the variable component of the remuneration totalled 666,900 euro, with respect to an average achievement of the objectives assigned of 111.6%.

Annex 1 – Glossary

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

Terms and Abbreviations	Meaning
Administrators / Directors / Executive Members	Indicates the members of the Board of Directors who were assigned operational or management proxies and who were assigned special duties by the Board of Directors
Administrators / Directors / Non-Executive Members	Indicates the members of the Board of Directors who were not assigned operational or management proxies and who were not assigned special duties by the Board of Directors
Non-monetary benefits	Indicates the non-monetary elements included in the remuneration aimed at increasing individual and family well-being of workers in economic and social terms.
Access gate	Indicates an economic-financial performance objective of A2A, the achievement of which represents the threshold for access to the variable incentive system. If said objective is not reached, the variable amount shall not be paid (or is significantly reduced) regardless of the level of achievement of the objectives assigned individually
Code of Corporate Governance for listed companies of Borsa Italiana S.p.A. ("Corporate Governance Code")	Indicates the Corporate Governance Code of listed companies promoted by the Italian Stock Exchange, as amended and supplemented in July 2015. The Code contains corporate governance principles for companies listed on regulated markets managed by Borsa Italiana S.p.A. and has recommendatory value for all listed companies that adhere to it. The Code is drafted based on the "comply or explain" model, which means that the Code does not necessarily have to be implemented by adhering listed companies, but their failure to adhere, even if only partial, must necessarily be adequately substantiated by each company in the annual corporate governance report in accordance with art. 123-bis, paragraph 2, lett. a) of Legislative Decree February 24, 1998, no. 58
Remuneration and Appointments Committee ("Committee")	Refers to the Remuneration and Appointments Committee of A2A S.p.A. established by the Board of Directors on June 17, 2014. The Remuneration and Appointments Committee has the task of assisting the Board of Directors with investigative, advisory and proposal functions regarding remuneration and appointments
Board of Directors ("BoD")	Refers to the Board of Directors of A2A S.p.A. appointed by the Shareholders' Meeting on June 13, 2014
Executives with Strategic Responsibilities ("Key Executives")	Refers to the managers, identified according to the criteria established by the Board of Directors upon the proposal of the Remuneration and Appointments Committee, who have the power and responsibility, directly or indirectly, of the planning, management and control of the Company's activities
EBITDA	Profitability indicator of the company's income from operations therefore before interest, taxes, depreciation and amortization of assets
Amount/economic value at target	Refers to the remuneration amount, related to a variable incentive system, which shall be paid upon achievement of 100% of the targets assigned
End of term/relationship indemnities	Indicates a monetary amount to be paid to the director/employee upon termination of the administration/employment relation
Non-competition agreement	As defined in article 2125 of the Civil Code, it is "The agreement that limits the conduct of the activity of the employee, for the time following termination of the contract"
Pay - min	Indicates the % ratio between the fixed remuneration, the variable short-term remuneration and the long-term variable remuneration paid at target level
Short/long-term incentive system	Indicates a variable incentive plan over an annual/multi-year time horizon (3/5 years) that recognizes assignees a monetary bonus based on the results achieved on specific objectives defined "ex ante" and assigned individually
Consolidated Finance Act ("CFA")	Legislative Decree February 24, 1998 no. 58 as amended and supplemented

Annex 2 - References between the Remuneration Report 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	Paragraph a
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	Paragraph a
The name of the independent experts that may be involved in the preparation of the remuneration policy	Paragraph a
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	Paragraph b
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	Paragraphs from c1 to c5
The policy followed regarding non-monetary benefits	Paragraph c6
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	Paragraphs from c1 to c5
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	Paragraph c7
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	
Information on the presence of any insurance coverage, social security or pension, other than mandatory ones	Paragraph c6
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.)	Paragraphs from c1 to c4
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	Paragraph c9

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 (amounts in €)

(A) Surname and Name	(B) Office	(C) Period for which the office was covered		(D) End of term	(1) Fixed compensation	
		from	to			
Valotti Giovanni	Chairman	01.01.16	12.31.16	12.31.16	483,931 (A)	
Comboni Giovanni	Vice-Chairman	01.01.16	12.31.16	12.31.16	120,000 (B)	
Camerano Luca Valerio	CEO	01.01.16	12.31.16	12.31.16	716,207 (C)	
Bonomo Antonio	Director	01.01.16	12.31.16	12.31.16	80,000	
Brivio Giambattista	Director	01.01.16	12.31.16	12.31.16	80,000	
Cappello Maria Elena	Director	01.01.16	12.31.16	12.31.16	80,000	
Castelli Michaela	Director	01.01.16	12.31.16	12.31.16	80,000	
Ceretti Elisabetta	Director	01.01.16	12.31.16	12.31.16	80,000	
De Paoli Luigi	Director	01.01.16	12.31.16	12.31.16	80,000	
Di Mezza Fausto	Director	01.01.16	12.31.16	12.31.16	80,000	
Pareglio Stefano	Director	01.01.16	12.31.16	12.31.16	80,000	
Ravera Dina	Director	01.01.16	12.31.16	12.31.16	80,000	
(I) Compensation in the company drafting the Financial Statements					2,040,138	
(II) Compensation from Subsidiaries and Associates						
(III) TOTAL					2,040,138	

VALOTTI GIOVANNI

(A) The amount includes the fixed compensation of 80,000 euro/year, approved by the Shareholders' Meeting, received as Board member and compensation of 390,000 euro/year for the office of Chair. The amount also includes grossed up expenses.

COMBONI GIOVANNI

(B) The amount includes the fixed compensation of 80,000 euro/year, approved by the Shareholders' Meeting, received as Board member and compensation of 40,000 euro/year for the responsibility of the Internal Audit.

CAMERANO LUCA VALERIO

(C) The amount includes the fixed compensation of 80,000 euro/year, approved by the Shareholders' Meeting, received as Board member and compensation of 620,000 euro/year for the office of Chief Executive Officer. The amount also includes grossed up expenses. Camerano Luca Valerio also received an amount of 1,229 euro 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					
	19,000 (1)			11,466		514,397		
	19,068 (2)			374		139,443		
	- (3)	280,000		11,030		1,007,237		
	19,932 (4)			374		100,306		
	20,000 (5)			374		100,374		
				374		80,374		
	30,000 (6)			374		110,374		
	19,000 (7)			374		99,374		
	19,000 (8)			374		99,374		
	20,000 (9)			374		100,374		
	20,000 (10)			374		100,374		
	19,000 (11)			374		99,374		
	205,000	280,000		26,240		2,551,378		
	205,000	280,000		26,240		2,551,378		

1/b - Compensation to the Board of Auditors (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	01.01.16	12.31.16	12.31.16	130,000	
Casadio Cristina	Standing Auditor	01.01.16	12.31.16	12.31.16	80,000	
Rosini Norberto	Standing Auditor	01.01.16	12.31.16	12.31.16	80,000	
(I) Compensation in the company drafting the Financial Statements					290,000	
(II) Compensation from Subsidiaries and Associates						
(III) TOTAL					290,000	

(*) Adjustment compensation 2015 as per shareholders' meeting resolution of 06.07.2016.

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

(A)	(B)	(C)		(D)	(1)	
	Office	Period for which the office was covered		End of term	Fixed compensation	
		from	to			
Key Executives (9 holders)	-	01.01.16	12.31.16	-	1,995,973	

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

(1) Of which:		(5) Of which:	
EXECUTIVE COMMITTEE	-	CONTROL AND RISKS COMMITTEE	20,000
COMMITTEE FOR TERRITORY AND SUSTAINABILITY	19,000	(6) Of which:	
(2) Of which:		CONTROL AND RISKS COMMITTEE	30,000
EXECUTIVE COMMITTEE	-	(7) Of which:	
REMUNERATION AND APPOINTMENTS COMMITTEE		COMMITTEE FOR TERRITORY AND SUSTAINABILITY	19,000
(until 01.25.2016 Chair)	1,366	(8) Of which:	
REMUNERATION AND APPOINTMENTS COMMITTEE		COMMITTEE FOR TERRITORY AND SUSTAINABILITY	19,000
(since 01.26.2016 Member)	17,702	(9) Of which:	
(3) Of which:		CONTROL AND RISKS COMMITTEE	20,000
EXECUTIVE COMMITTEE	-	(10) Of which:	
(4) Of which:		COMMITTEE FOR TERRITORY AND SUSTAINABILITY	20,000
REMUNERATION AND APPOINTMENTS COMMITTEE		(11) Of which:	
(until 01.25.2016 Member)	1,298	REMUNERATION AND APPOINTMENTS COMMITTEE	19,000
REMUNERATION AND APPOINTMENTS COMMITTEE			
(since 01.26.2016 Chair)	18,634		

	(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	30,000 (*)	160,474		
				374	10,000 (*)	90,374		
				374	10,000 (*)	90,374		
				1,223	50,000	341,223		
				1,223	50,000	341,223		

	(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					
	-	666,900		125,125		2,787,988		

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)
	Office	Plan	Bonuses in the year			Bonuses in previous years			
			(A) Payable / Paid	(B) Deferred	(C) Deferral period	(A) No longer payable	(B) Payable / Paid	(C) Deferred	Other Bonuses
Camerano Luca Valerio	Chief Executive Officer								
(I) Compensation in the company drafting the Financial Statements		Plan STI 2016	280,000						
(II) Compensation from Subsidiaries and Associates			-						
(III) TOTAL			280,000						
Key Managers	-								
(I) Compensation in the company drafting the Financial Statements		Plan STI 2016	666,900						
(II) Compensation from Subsidiaries and Associates			-						
(III) TOTAL			666,900						
TOTAL			946,900						

Scheme 7-ter: Scheme related to information on the shareholdings of members of the Management and Control bodies, General Managers and other Key Managers.

The following tables outline the shareholdings of all parties that in 2016 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 2015 (or at the date of appointment)	Number of shares purchased in 2016	Number of shares sold in 2016	Number of shares held at the end of 2016 (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

Table 2: Shareholdings of other Key Executives

Number of key managers	Investee Company	Number of shares held at the end of 2015 (or at the date of appointment)	Number of shares purchased in 2016	Number of shares sold in 2016	Number of shares held at the end of 2016 (or at the date of termination of the office if before)
Key Executives (9 holders)	A2A S.p.A.	75,000	=	=	75,000