Explanatory Report drafted by the Board of Directors pursuant to Articles 114-*bis* and 125-*ter*, paragraph 1 of Legislative Decree No. 58 of February 24, 1998, as subsequently amended and supplemented ("TUF" – Consolidated Law on Finance), on the 2023 – 2025 Long-Term Variable Incentive Plan.

Shareholders,
with reference to the point 3 of the Shareholders' Meeting of A2A S.p.A. ("**A2A**" or the "**Company**") convened on November 29, 2023, on first call and, if necessary, on second call on November 30, 2023, the Board of Directors hereby submits for your approval the adoption of a 2023 – 2025 Long-Term Variable Incentive Plan (the "**Plan**") resolved also pursuant to Article 2389 of the Italian Civil Code, upon proposal of the Remuneration and Appointments Committee and with the favorable opinion of the Board of Statutory Auditors, in relation to the Chief Executive Officer. The Plan provides for the disbursement of a monetary incentive against the achievement of corporate performance targets and is subject to approval by the Meeting pursuant to Article 114-*bis* of the TUF (Consolidated Law on Finance) in that it envisages, *inter alia*, that part of the incentive is determined on the basis of a relative Total Shareholder Return target, as it is linked to the performance of the A2A share price compared to the defined panel of industry peers.

Below is a summary of the main features and conditions of the Plan. For a more analytical description of the Plan, we invite you to examine the Information Document (the "**Information Document**") drafted pursuant to Article 114-*bis* of the TUF (Consolidated Law on Finance) and Article 84-*bis*, paragraph 1 of Consob Resolution No. 11971 of May 14, 1999, as subsequently amended and supplemented (the "**Issuers' Regulation**"), available to the public at the Company's registered office, on the website www.gruppoa2a.it, as well as at the authorized storage mechanism called "1Info" (www.1info.it).

As indicated in the Information Document, the Plan identifies as Beneficiaries, in addition to the CEO:

- certain managerial positions and key roles of A2A and its Subsidiaries, individually determined by the A2A Chief Executive Officer among those who hold roles with the greatest impact on the achievement of A2A medium/long-term business results or with strategic importance for the achievement of its long-term objectives;
- as well as positions identified in relation to the performance achieved and the skills possessed;

up to a maximum of 40 Beneficiaries.

Through the implementation of the Plan, the Company intends to:

- align the interests of Beneficiaries with those of the Shareholders and with the A2A Strategic Plan in full;
- link the remuneration of Beneficiaries who play a key role in the achievement of A2A objectives to the economic results achieved by the Company and the achievement of specific pre-defined medium-long term targets;
- incorporate the numerous indications from investors in order to align with the best market practices, ensure that developments on ESG issues, also from a non-financial reporting perspective, find a tool that stimulates management to achieve said objectives, as well as rebalance the pay-mix (fixed vs. variable) also by providing the Company with a remuneration tool useful for the attraction and retention of key resources.

The Plan has a multi-year duration, provides for a single grant in the first year of the Plan, and does not entail any type of future remuneration commitment on the part of A2A towards the Beneficiaries.

The Vesting Period lasts for three years, from January 1, 2023 to December 31, 2025, and the actual disbursement of the monetary incentive is subject to the achievement of specific and predetermined performance conditions to be measured at the end of the three-year reference period as a result of an accurate verification process carried out by the Company's Board of Directors.

The Plan's performance conditions are linked to the following parameters:

- Cumulative Operating Cash Flow with 35% weight, calculated on a three-year basis by comparing the actual with the budgeted amount;
- Relative Total Shareholder Return, with 35% weight, calculated on a three-year basis by comparing the Total Shareholder Return value, with reference to the A2A positioning against the defined panel of industry peers;
- Composite ESG Indicator, with 30% weight.

* * *

The Plan is to be considered of "particular relevance" pursuant to Article 114-*bis* of the TUF (Consolidated Law on Finance) and to Article 84-*bis*, paragraph 2 of the Issuers' Regulation, as it is addressed, among others, to the Chief Executive Officer and Key Managers of A2A.

Considering that the Plan is of a monetary type, as it does not envisage the allocation of A2A shares or other financial instruments, but only a cash incentive partly linked to the performance of the stock market price of A2A ordinary shares with respect to defined industry peers, the Information Document does not contain the information required for Plans that consider the allocation of shares or other financial instruments.

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Proposed resolution to the Meeting

In light of the foregoing and taking into account as described in the Information Document, the Board of Directors submits the following resolution proposal to the Meeting for approval:

"The Ordinary Shareholders' Meeting of A2A S.p.A., having examined the Explanatory Report of the Board of Directors and the Information Document related to the 2023 – 2025 Long-Term Variable Incentive Plan,

resolves

- *to approve, pursuant to Article 114-bis of Legislative Decree No. 58 of February 24, 1998, as subsequently amended and supplemented, the adoption of the 2023-2025 Long-Term Variable Incentive Plan, under the terms and conditions described in the aforementioned Information Document;*
- *to confer to the Board of Directors, with the power to sub-delegate, any power necessary or appropriate to implement the 2023 – 2025 Long-Term Variable Incentive Plan, to be exercised in accordance with the provisions set forth in the relevant Information Document."*