



ANNUAL  
REPORT  
2022

Report on  
Remuneration  
Policy 2023  
and Compensation  
Paid 2022





## Approved by the Board of Directors on 04 April 2023

The Report is available in the sections “Governance – Shareholders’ Meeting” and following the Meeting, “Governance – Remuneration Policies” of the Company’s website ([www.gruppoiren.it](http://www.gruppoiren.it)).

This is a translation of the Italian original “Relazione sulla Politica in materia di Remunerazione 2023 e sui compensi corrisposti 2022” 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 at the website [www.gruppoiren.it](http://www.gruppoiren.it).

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# Letter from the Chairperson of the Remuneration and Appointments Committee

## Letter from the Chairperson of the Remuneration and Appointments Committee



Dear Shareholders,

As the Chairperson of the Remuneration and Appointments Committee for IREN, I am pleased to present you with the Report on the 2023 Remuneration Policy and on Compensation Paid in 2022 for IREN Group, together with Directors Patrizia Paglia, Gianluca Micconi and Cristiano Lavaggi, who, together with me, have made up the Committee since 21 June 2022.

In continuity with previous years, this Report is introduced by an Executive Summary section summarising the remuneration policies adopted by the Group for 2023.

As required by regulations, the Report consists of two Sections: i) Section One "Remuneration Policy 2023", which describes the main guidelines in our approach to remuneration and incentive systems for 2023 and; ii) Section Two "Compensation and other Information Relative to 2022", which provides details on compensation paid during the previous year.

Generally speaking, in the face of a particularly uncertain macro-economic context, the results achieved by the Group in 2022 highlight the resilience of the business model and the effectiveness of the variable incentive system adopted, which has fostered a focus on achieving strategic targets. The Group Business Plan to 2030, updated on 23 March 2023 by the Board of Directors, expresses a series of strategic choices driven by the desire to grow as a Group and to take on the responsibility of being a stimulus and engine of sustainable development for local areas and communities.

In its first year of office, the commitment of the Remuneration and Appointments Committee was particularly aimed at formulating clear, effective and transparent remuneration policies which, despite the absence of substantial changes with respect to the consolidated structure, continue to constitute a key tool for achieving strategic objectives and for creating long-term value in the interest of all shareholders and other stakeholders.

30/03/2023

**Pietro Paolo Giampellegrini**  
Chairperson of the Remuneration and Appointments Committee

A handwritten signature in blue ink, appearing to read "P. Giampellegrini".

In this regard, with reference to Section One of the Remuneration Report and, in particular, to the structure of the variable remuneration for 2023, in line with the aforesaid Business Plan objectives, it is expected that the significant weight assigned to ESG (Environment, Social, Governance) objectives will be maintained, as well as, among the project objectives, the business initiatives aimed at achieving medium-long term ESG objectives.

With the intention of confirming, maintaining and stabilising the constructive dialogue established with all shareholders and, more generally, with the stakeholders of IREN Group, also taking into account the outcome of the vote on the previous Report, the disclosure on certain aspects has also been improved.

In Section Two of this Report, disclosure has been strengthened, especially with regard to the financial and non-financial objectives of the incentive schemes, in relation to the expectations of the market, institutional investors and proxy advisors.

The Committee, after approval by the Board of Directors, presents the Report on the 2023 Remuneration Policy and on Compensation Paid in 2022 to the shareholders, which are called upon to express their opinion through a binding vote on Section One and a consulting vote on Section Two, with the hope of having clearly represented the Group's remuneration system and its contribution to generating value for all stakeholders.

The policy will be concretely implemented during the financial year 2023, following the Shareholders' Meeting and in compliance with what will be decided by the latter, both by the Board of Directors and by the competent Delegated Bodies.

To you, the Shareholders, I extend the Committee's and the Company's thanks for your attention and time in reading our 2023 Policy, confident in your appreciation.

# Introduction

## Regulatory references, purposes and structure

This Report, approved by the Board of Directors of IREN S.p.A. (hereafter “IREN” or the “Company”) on 04 April 2023, based on a proposal by the Remuneration and Appointments Committee (hereafter, also “RAC”)<sup>1</sup>, was created in observance and application of the current legal and regulatory requirements<sup>2</sup>.

The Report illustrates, in a clear and understandable manner:

- in Section One<sup>3</sup>, the Remuneration Policy adopted for 2023 by IREN for the remuneration of the Company’s Directors and IREN Group’s Senior Executives with Strategic Responsibilities<sup>4</sup> (hereafter, also “SESR”) and, without prejudice to that established in art. 2402 of the Italian Civil Code, the members of the Company’s Board of Statutory Auditors, specifying the general purposes pursued, the bodies/entities involved, the method in which these contribute to the corporate strategy, the pursuit of the Company’s long-term interests and sustainability, and the procedures used to adopt and implement the Policy, as well as changes which have occurred with regards to 2022;
- in Section Two, the compensation paid in 2022 to the Directors and Auditors, by name, and to IREN Group Senior Executives with Strategic Responsibilities, in aggregate form, as well as the shareholdings in IREN held by members of the administration and control bodies and by other SESR, as well as non-legally separated partners and minor children, directly or through subsidiaries, trust companies or third parties.

The Policy illustrated in Section One of this Report has also been adopted by the Company, as established in Consob Regulation 17221/2010, as amended, on related party transactions, also in accordance with and pursuant to art. 6, letter f) of IREN’s Related Party Transaction Procedure, most recently updated by the Company’s Board of Directors on 28 June 2021, effective 1 July 2021 (hereafter, the “RPT Procedure”).

It assumes, as general reference guidelines for remuneration policies, the principles and Recommendations expressed in art. 5 of the current Corporate Governance Code for Listed Companies approved by the Corporate Governance Committee in January 2020 and effective as of 1 January 2021 (hereinafter also the “Corporate Governance Code” or “Code”), to which the Company adhered on 18 December 2020.

The Report on the 2023 Remuneration Policy and on Compensation Paid provides information intended to increase the knowledge and awareness of Shareholders and, more generally of investors and the market, as well as CONSOB. When preparing this Report, the Board of Directors and the Company’s Remuneration and Appointments Committee took into account the recommendations received in January 2023 from the Chairperson of the Italian Corporate Governance Committee.

The two sections of the Report are preceded by a summary of the main information (“Executive Summary”), in order to provide the market and investors with an immediate overview of the key elements contained in the Guidelines for the remuneration policies for Directors and Auditors of IREN and Senior Executives with Strategic Responsibilities for the Group in 2023 (“Guidelines” or “2023 Guidelines”).

The text of this Report is made available to the public at the Company’s registered offices, on the Company’s website<sup>5</sup>, on the storage website 1Info and on that of Borsa Italiana by the twenty-first day prior to the date of the Shareholders’ Meeting called to approve the financial statements for financial year 2022, and asked to

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<sup>1</sup> In addition to the Remuneration and Appointments Committee, the Control, Risk and Sustainability Committee also carried out the preliminary investigation for the parts under its responsibility. The Board of Statutory Auditors has been heard only with regard to the sections concerning the related remuneration.

<sup>2</sup> Art.123-ter of Legislative Decree no. 58/98 and subsequent amendments and additions. (“Consolidated Law on Finance”), art.84-quater of the Consob Issuers’ Regulation, adopted with resolution no. 11971/99 and subsequent amendments and additions. (“Consob Issuers’ Regulation”) and Annex 3A - Schedules 7-bis and 7-ter Consob Regulation, as amended by Consob with Resolution no. 21623 of 11 December 2020 in order to implement Directive (EU) 2017/828 on the encouragement of long-term shareholder engagement (“SRD II”).

<sup>3</sup> Art. 123-ter, paragraph 3, letters a) and b), TUF.

<sup>4</sup> The CEO of the Company (and indicated to the Remuneration and Appointments Committee) has identified as Senior Executives with Strategic Responsibilities of IREN Group the persons disclosed in compliance with Annex 1 of the Consob Regulation adopted by Resolution no. 17221 of 12 March 2010 and subsequent amendments and additions, within the meaning of IAS 24. More specifically, at the date of this Report, with the exception of the Directors (executive or otherwise) and the Standing Auditors, these are the Directors of the Energy, Market, Networks and Waste Management Business Units, the Director of Administration, Finance and Control, the Director of Personnel and Organisation, the Director of Technologies and Information Systems and the Director of Procurement, Logistics and Services of IREN.

<sup>5</sup> [www.gruppoiner.it](http://www.gruppoiner.it), Investors – Corporate Governance – Shareholders’ Meeting section.

express itself, through a binding vote, on Section One and, through a consulting vote, on Section Two of this Report, based on that established in the current regulations.<sup>6</sup>

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<sup>6</sup> Art. 123-ter, respectively paragraph 3-ter and paragraph 6, TUF.



# Executive Summary



# Executive Summary

## Overview

Remuneration Policy 2023

Component	Purpose and characteristics	Criteria and parameters	Recipients/Gross annual amounts
Fixed remuneration	Reflect the technical, professional and managerial skills and complexities and responsibilities of the role	Definition of the remuneration positioning assesses both the evolution of the organisation and market benchmarks carried out	<p><b>IREN Chief Executive Officer/General Manager</b> 457,000 Euro, of which:</p> <ul style="list-style-type: none"> <li>400,000 Euro Gross Annual Remuneration (of which 50,000 Euro related to the assignment)</li> <li>57,000 Euro for the position of Chief Executive Officer</li> </ul> <p><b>IREN Group Senior Executives with Strategic Responsibilities</b> Salary determined based on the complexity and responsibilities of the role performed and the skills required, to be gradually aligned to market median</p>
Short-Term Incentive Plan 2023	<ul style="list-style-type: none"> <li>Recognise and reward the achievement of annual objectives assigned</li> <li>Focus performance on achieving company objectives</li> </ul> <p>(Plan subject to malus and clawback clauses)</p>	<p><b>Gate:</b> maintain Investment Grade status</p> <p><b>2023 Objectives</b></p> <p><b>IREN Chief Executive Officer/General Manager</b></p> <ol style="list-style-type: none"> <li>Group net investments (weight: 20%)</li> <li>Group IFN/EBITDA (weight: 20%)</li> <li>Group strategic projects (weight: 30%)</li> <li>Sustainability/ESG Objectives (weight: 30%)</li> </ol> <p><b>IREN Group Senior Executives with Strategic Responsibilities</b></p> <ol style="list-style-type: none"> <li>Economic-financial objectives (weight: 40%)</li> <li>Group strategic projects or connected to individual Business Units (weight: 30%)</li> <li>Sustainability/ESG Objectives (weight: 30%)</li> </ol> <p><b>Assessment of Objectives</b></p> <ul style="list-style-type: none"> <li>Average achievement threshold for objectives: ≥ 70% of the individual form</li> <li>Minimum threshold for individual objective: 60% (target=100%)</li> <li>Group corrective factor: multiplier/demultiplier of individual results</li> </ul>	<p><b>IREN Chief Executive Officer/General Manager</b> 35% of the RAL (target value)</p> <p><b>IREN Group Senior Executives with Strategic Responsibilities</b> 37.4% of the RAL (average target value)</p>
Long-Term Incentive Plan 2022-2024	<p>Promote the creation of Shareholder value, with a view to long-term sustainability</p> <p>(Plan subject to malus and clawback clauses)</p>	<p><b>Gate:</b> maintain Investment Grade status</p> <p><b>Objectives</b></p> <ol style="list-style-type: none"> <li>Cumulative EBITDA 2022-2024 (weight: 35%)</li> <li>Cumulative Operating Cash Flow Levered 2022-2024 (weight: 20%)</li> <li>Cumulative Investments 2022-2024 (weight: 20%)</li> <li>Sustainability/ESG Objectives (weight: 25%)</li> </ol> <p><b>Assessment of Objectives</b></p> <ul style="list-style-type: none"> <li>Minimum threshold for each objective i) economic-financial: 90% (defined target) ii) sustainability/ESG: 70% (defined target)</li> </ul> <p>Closed plan with three year vesting and 6 month deferral payment</p>	<p><b>Executive Chairperson of IREN</b> about 100% of total variable remuneration CEO and General Manager</p> <p><b>Executive Deputy Chairperson of IREN</b> 75% of total variable remuneration CEO and General Manager</p> <p><b>CEO and General Manager of IREN and Senior Executives with Strategic Responsibilities of IREN Group</b> 100% of RAL (target and maximum values over the three-year period)</p>
Non-monetary benefits	Promote the retention of management resources	Benefits mainly of an insurance and social security nature, defined through the national collective labour contract and reference company policies	Social security plans; Insurance and healthcare plans; Company car; Housing.

Compensation at end of term and/or relationship

Protect the interests of the Company

Indemnity in cases of non-renewal/revocation without just cause prior to the end of the Director's terms and/or other duties

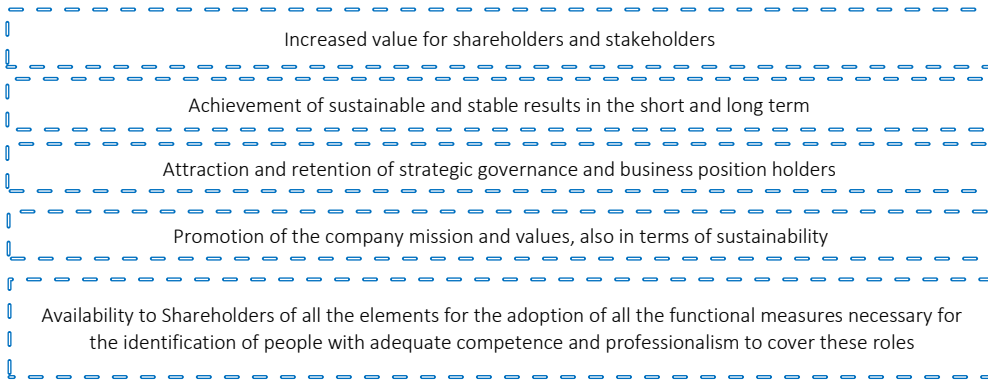
**IREN Chief Executive Officer/General Manager:**  
**Specific discipline**, with measures to protect the Company, in case of **revocation without just cause**, prior to expiry of the proxies  
**No agreements** pursuant to art. 2125 of the Italian Civil Code signed.

## Goals, principles and governance for the Remuneration Policy of IREN Group

### Goals and Principles

The Remuneration Policy adopted by IREN represents an indispensable tool to support the Group's medium and long term strategies, as well as the Company's sustainability. In fact, the incentive capacity of the systems is always determined in line with the Group's strategic objectives, in which ESG profiles are also integrated.

The Group's remuneration policies for 2023 have been determined in order to guarantee the following goals:



### Governance

IREN Group has established a governance process, which involves both the company bodies and parts of company management, in order to govern the activities used to define, implement and manage remuneration policies.

### Correlation between strategy, sustainability, and remuneration policies

In the Business Plan to 2030, updated in 2023, IREN sets itself the goal of becoming a leading operator in sustainability by pursuing the main trends, already present in the previous plans with medium-long term objectives, such as decarbonization, the circular economy, water resources, resilient cities and people.

To this end, the strategy is focused on the growth of renewable capacity - thanks to photovoltaics, onshore and offshore wind power and the creation of widespread energy communities - and on plant development to support the circular economy of resources.

IREN's remuneration policy is at the basis of the achievement of the strategic objectives of the business, which integrate the sustainability objectives, defined in the Business Plan and allows in the medium-long term to increase the value for the shareholders and for the company's stakeholders.

### Entities involved in the process

Shareholders' Meeting

Board of Directors

Chief Executive Officer and General Manager

Remuneration and Appointments Committee (RAC)

Board of Statutory Auditors

Independent Auditors

Company Management

**SUSTAINABILITY GOALS  
LTI PLAN 2022- 2024**



**SUSTAINABILITY TARGET**

**CIRCULAR ECONOMY**

Increasing in differentiated waste collection  
Plant development for recovery of material and biomethane from waste.



**WATER RESOURCES**

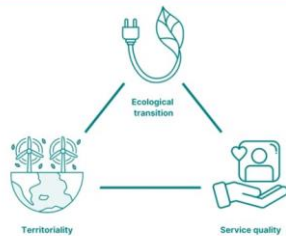
Ensuring sustainable management of water resources in withdrawals and restitution to the environment.

**DECARBONISATION**

Increasing the quote of renewable energies in the production mix.  
Reducing the carbon footprint of the activities managed by the Group also along the value chain



**THE PILLARS OF THE 2023-2030  
BUSINESS PLAN**



**RESILIENT CITIES**

Developing district heating volumes Ecological vehicles for the entire fleet Making cities and human settlements inclusive, safe, resilient and sustainable

**PEOPLE**

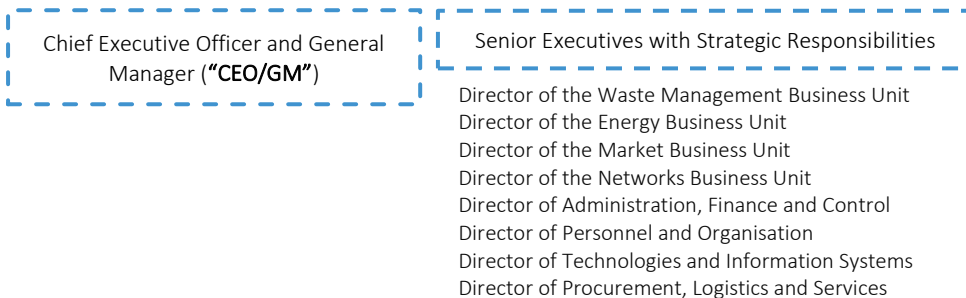
Guaranteeing the total and effective participation of women and equal leadership opportunities at all levels of decision-making in the business for the promotion of gender equality



**2023 Remuneration Policy**

**Recipients**

The policy, in addition to illustrating the criteria used to determine compensation due to non-executive Directors, members of the Board of Statutory Auditors and members of internal IREN Board of Directors committees of a fixed nature, also establishes Guidelines, also in terms of pay-mix, for:



Also targeted by the policy, with respect to long-term variable incentives, are the Chairperson and Deputy Chairperson, as they are Executive Bodies of the Company.

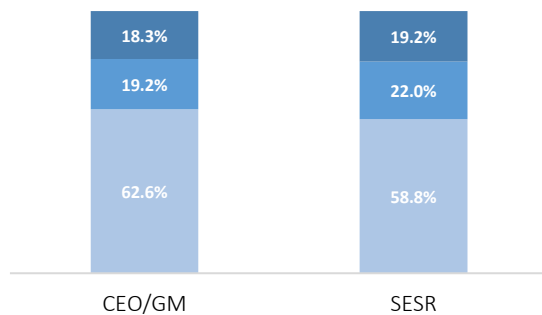
### What the Remuneration Policy 2023 includes

Variable incentive plans with financial, non-financial and sustainability objectives, pre-established and measurable, in line with the Group's Business Plan.  
 Beneficiaries are motivated to pursue strategic objectives, rewarding a performance culture and virtuous behaviours established to achieve the objectives.  
 Pay-mix aligned with market practices.  
 Periods for the maturation of long-term incentives of no less than 3 years.  
 Clawbacks in the case of error, malfeasance or negligence or intentional violations of laws and/or regulations.  
 Option to waive the remuneration policy limited to "exceptional circumstances", meaning those situations where the waiver is necessary in order to pursue the long-term interests and sustainability of the Company.

### What the 2023 Remuneration Policy does not include

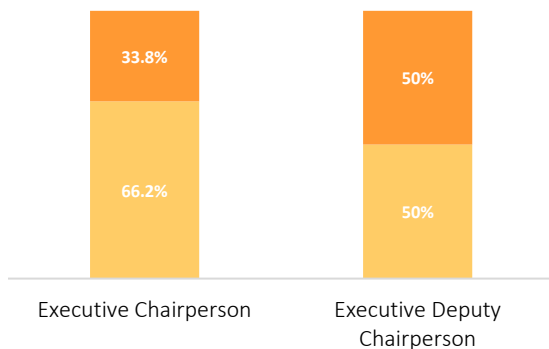
No remuneration levels exceeding market references.  
 No form of incentive not associated with the achievement of assigned objectives and without retention purposes  
 No form of variable remuneration for non-executive Directors.  
 No form of extraordinary incentive for the Chief Executive Officer and General Manager, nor for the other Executive Directors and Senior Executives with Strategic Responsibilities of the Group.  
 No benefits of excessive value.

### Pay-Mix 2023



The graphs show the overall pay-mixes for the Chief Executive Officer and General Manager and for the Group's Senior Executives with Strategic Responsibilities (holding an employment relationship with the Company) as well as for the Executive Chairperson and Deputy Chairpersons. These graphs take into account: (i) where provided, target bonuses established as part of the short-term incentive system, pursuant to the 2023 Guidelines and (ii) the annual portion of the bonus target included in the 2022-2024 Long Term Monetary Incentive Plan (hereafter, also "2022-2024 LTI Plan").

- Long-term variable 2022-2024 (target and maximum value)
- Short-term variable (target value)
- Fixed remuneration



- Long-term variable 2022-2024 (target and maximum value)
- Fixed remuneration

## Fixed remuneration

With regards to **non-executive Directors**, fixed remuneration for the position was set at 30,000 Euro per year (in addition to reimbursement of expenses sustained for the position) by the Shareholders' Meeting on 21 June 2022, which appointed the administrative body for the three year period 2022-2024, an increase compared to what was foreseen in the previous board mandate.

With regards to **Members of Board Committees** appointed for the three year period 2022-2024, fixed remuneration, in addition to that received for the role of Director, was established by the Company's Board of Directors, in respect of the caps established by the Shareholders' Meeting, in the following terms, an increase compared to what was foreseen in the previous board mandate.

Fees for members of the Board Committees - 2022-2024 term of office

<i>Committee</i>	<i>Role</i>	<i>Gross annual remuneration in Euro</i>
Remuneration and Appointments Committee	Chairperson	15,000
	Component	10,000
Control, Risk and Sustainability Committee	Chairperson	18,000
	Component	10,000
Related Party Transactions Committee	Chairperson	15,000
	Component	10,000

With regard to the **Board of Statutory Auditors**, no changes are currently envisaged for 2023, the third and last year of the Board's term of office (appointed by the Shareholders' Meeting on 6 May 2021 for the three-year period 2021-2023).

With regards to **Directors with special offices** in office (Chairperson, Deputy Chairperson, Chief Executive Officer), fixed remuneration for the positions held was established by the Company's Board of Directors, in compliance with the caps established by the Shareholders' Meeting, at 150,000 Euro for the Chairperson, 40,000 Euro for the Deputy Chairperson and 57,000 Euro for the Chief Executive Officer, with no change from the previous term.

For the **Company's Chief Executive Officer and General Manager** in office as well as for **IREN Group's Senior Executives with Strategic Responsibilities**, the fixed component of their respective remuneration, established for executive level relationships with the Company, has the objective of being commensurate with the skills, responsibilities and potential for growth for professions of the greatest importance and which are more difficult to find on the job market, to retain and motivate individuals with professional qualities needed to successfully manage the Company.

With regard to the **Chief Executive Officer and General Manager** of IREN, who has been confirmed for this role for the 2022-2024 term of office, the fixed component of his remuneration includes, in addition to the emolument envisaged under art. 2389, paragraph 3, of the Italian Civil Code for the office of Chief Executive Officer of the Company (amounting to 57,000 Euro per year gross, in continuity with the previous term of office), a gross annual remuneration of 400,000 Euro (of which 50,000 Euro as Position Allowance for the office of General Manager), in lieu of any other remuneration provided for by any collective source regulating the employment relationship.

In relation to the above, the weight of the fixed components of the remuneration of the Chief Executive Officer and General Manager of IREN (including the remuneration for the particular position pursuant to art. 2389, paragraph 3, of the Italian Civil Code) is equal to 62.6% of the total remuneration (59.4% calculated with reference to the weight of the fixed components of the remuneration package of the General Manager).

With regard to **IREN Group's Senior Executives with Strategic Responsibilities**, taking into account the results of the remuneration studies carried out in previous years with the support of advisors, which showed a general positioning of the aforesaid persons in the low end of the reference remuneration market (overall average differential of more than -23% on the 2021 remuneration market), the IREN Board of Directors in office at the time had indicated to the Board of Directors to be appointed in the future (which took office on 21 June 2022) the opportunity of evaluating an action for the gradual adjustment of the relative remuneration positioning with respect to the established market target (median of the chosen reference remuneration market, the so-called "restricted Industry Panel", which is less competitive than the general market, the so-called "All Industry", used as a reference for the remaining corporate population).

Considering the external context and the economic and social situation of the country, as a choice of social responsibility, it was decided to postpone the action of progressive salary adjustment starting from 2023, an adjustment that is intended to be carried out in consideration of the update of the aforementioned benchmark referred to the 2022 salary market, which confirmed a general positioning of Senior Executives with Strategic Responsibilities in the low end of the salary market, i.e. with an overall average differential of more than -29%.

## Variable remuneration

Among the members of the IREN Board of Directors, at present, the following are recipients of incentive plans linked to the achievement of specific performance targets, including those of a non-economic nature: the Chief Executive Officer and General Manager, the Executive Chairperson and the Executive Deputy Chairperson (the latter with reference only to long-term variable incentives). All individuals classifiable as IREN Group Senior Executives with Strategic Responsibilities are also beneficiaries of these plans.

For all these individuals, the variable component in remuneration is intended to push employees to achieve challenging short and especially medium/long-term objectives, innovative compared to the past, recognising the value of individual and collective contributions. In detail, the main targets of the new Business Plan to 2030, as defined in March 2023, can in fact be traced back to the matters covered by the powers delegated to the executive directors who, in exercising these powers, will be able to contribute effectively to the implementation of the Business Plan and to the development of the Group with a view to sustainability for the local areas and communities.

## Variable Incentives 2023

When the 2023 Guidelines were approved, the **target incentive** was established:

- as for the **Chief Executive Officer and General Manager of IREN**, in an amount equal to 35% of the Gross Annual Remuneration as General Manager;
- at 37.4% of Gross Annual Salary, on average, for **IREN Group Senior Executives with Strategic Responsibilities**.

2023 short-term variable incentives for the Chief Executive Officer and General Manager  
Performance Indicators, Weights and Measurement Methods

<i>Key Performance Indicators</i>	<i>Weight</i>	<i>Measurement</i>
Group net investments (90% budget=target)	20%	Linear, with thresholds
Group NFD/EBITDA (budget = target)	20%	Linear, with thresholds
Group strategic projects	30%	Linear, with thresholds
ESG objective targets	30%	Linear, with thresholds

As recommended by the IREN Board of Directors and confirmed by best practices, ESG objectives have been maintained for 2023, with the same weight.

Circular economy	Increased sorted waste collection in historical areas
Decarbonization	Increase in installed renewable power
Water resources	Reduction of losses in aqueduct networks
Workplace Health and Safety	Improvement of injury trends
Gender Diversity	Maintain or increase the % of women

For IREN Group Senior Executives with Strategic Responsibilities, the objective forms were determined on the basis of the structure established for the IREN Chief Executive Officer and General Manager, differentiated by the Business Area or department managed. All are envisaged for one or more objectives on significant economic-financial items for which the Executive has direct responsibility, one or more objectives connected to sustainability, service quality or innovation projects (transversal or specific) as well as an ESG composite objective with reference to the issues of:

Decarbonization	Water resources
Installed renewable power.	Aqueduct network losses. District aqueduct networks.
Circular economy	Customer Care
Sorted waste collection in historical areas. Waste for material recovery in Group facilities. Production of biomethane from biodegradable waste.	Claims. Frequency and duration of power grid interruptions. Gas network adaptation. Interruptions to the integrated water service. Churn customers market. Installed smart meters.
Resilient cities	Attention to staff
Connection of district heating volumes. Eco-vehicles out of the total corporate fleet. Energy saving from Group products/services. Green electricity sold to retail customers.	Improvement of injury trends (incidence rate). Hours of training per capita on average number of employees. Hires under 30 on total hires cumulative in 2020.
	Gender Diversity
	% Gender Diversity. % women executives and middle managers out of total executives and middle managers.

ESG objectives are, among other things, closely linked to those established in the Long-Term Incentive Plan, demonstrating the systematic attention paid to these issues by the Group.

#### Comparison 2023 / 2022

Indicator	2022	2023
ESG	KPIs linked to ESG objectives foreseen in the Business Plan@2030	■
Eco-fin	Investments, EBITDA BU, Opex	■
Projects	Sustainability, Service Quality, Innovation	■
Gate	<i>Maintenance Investment Grade</i>	■
K factor	EBITDA; OCF Levered	■

Maintained also for 2023,

- a minimum threshold of overall average achievement of individual objectives greater than and/or equal to 70% of the individual scorecard;
- a minimum threshold for each Performance Indicator (with a predetermined target, in line with budget values) of 60% of the objective result (below which, the result is considered to be zero), with maximum threshold of 100% of the objective (target value).
- a “gate” linked to the maintenance of the investment grade rating by one of the two major rating agencies;
- at Group level (or- for the Networks Business Unit, in line with the provisions of the Integrated Text of functional unbundling- of the Business Unit), a corrective factor of individual results (linked to the EBITDA and Operating Cash Flow Levered indicators) to keep account and incentivise the creation of value by the Group with respect to the planned targets;
- in line with the recommendations of Recommendation no. 27 lett. (e) of the Code, contractual arrangements (*malus* and claw-back clauses) that allow the company to request the restitution, in whole or in part, of variable components of the remuneration payable or already paid upon the occurrence of certain conditions (hereinafter also “Trigger Events”) within 3 (three) years from the end of the accrual period of the bonus.

In order to better guarantee verification of results achieved, again in 2023 it is established that the disbursement of short-term variable remuneration to these individuals will be deferred for 3 (three) months from the date the final figures are determined by the relevant bodies.

#### Long-term variable remuneration

The 2022-2024 LTI Plan was approved by the Board of Directors on 28 April 2022, developing, also within the scope of the specific Regulations, the objectives and macro-drivers already approved on 29 March 2022.

On 6 July 2022, having regard to as was established by the Shareholders’ Meeting, the IREN Board of Directors, which took office on 21 June 2022, resolved to include among the beneficiaries of the 2022-2024 LTI Plan also the Executive Chairperson and the Executive Deputy Chairperson, establishing, *inter alia*, their respective target bonuses in



compliance with the Meeting caps. On 28 July 2022, after preliminary investigation by the Remuneration and Appointments Committee, the Board of Directors of IREN approved an Addendum to the aforesaid Regulation, aimed at regulating the operating rules of the Plan for the delegated bodies, included, as mentioned, among the Plan's Beneficiaries.

Consistent with its predecessors, the 2022-2024 LTI Plan provides for the vesting of a monetary bonus based on three-year 2022-2024 performance.

The 2022-2024 LTI Plan has among its recipients:

- the Directors holding special offices of IREN S.p.A. (Executive Chairperson; Executive Deputy Chairperson; Chief Executive Officer);
- IREN Group Senior Executives with Strategic Responsibilities;
- additional top-level resources capable of making a significant contribution to the achievement of the Business Plan's objectives, which are subject to precise identification by the Chief Executive Officer and General Manager.

The inclusion, in addition to the CEO and General Manager, of the Chairperson and the Deputy Chairperson, was deemed appropriate in view of the fact that the recently approved 2030 Business Plan is highly challenging in terms of its strategic objectives, assuming a strong involvement of all the Directors holding particular offices, since the targets of said Business Plan can be traced back to the subjects covered by the powers delegated to the aforesaid executive directors.

With reference to the CEO and General Manager of IREN, the maximum monetary incentive achievable at the end of the period was set at 100% of Gross Annual Remuneration, in the event that 100% of the Targets are reached.

With reference to the Group's Senior Executives with Strategic Responsibilities, the maximum monetary incentive was set at 100% of the individual Gross Annual Remuneration calculated as of 1 January 2022, without prejudice to new hires during the 2022 financial year (taking into account the definition of the time horizon of the 2022-2024 LTI Plan over a three-year period).

With regard to the positions of Executive Chairperson and Executive Deputy Chairperson, by resolution of 6 July 2022, the Board of Directors, in compliance with the provisions of the Shareholders' Meeting of 21 June 2022, established that the target and maximum monetary incentive achievable upon the achievement of the objectives set forth in the 2022-2024 LTI Plan is equal to approximately 33%, respectively on an annual basis, for the Executive Chairperson, and 25%, on an annual basis, for the Executive Deputy Chairperson of the total variable compensation paid to the Chief Executive Officer and General Manager, equal to about 280,000 Euro gross, always to be understood as the value, calculated on an annual basis, attainable upon the achievement of objectives.

Disbursement of the premium, with reference to the 2022-2024 LTI Plan, is subordinate to meeting a gate condition (attribution, at the end of 2024, of an Investment Grade rating by one of the major ratings agencies) and the achievement of the following objectives, identified in line with that established in the Business Plan.

2022-2024 LTI Plan - Performance Indicators, Weights and Measurement Methods

<b>Key Performance Indicators</b>	<b>Weight</b>	<b>Measurement</b>
Cumulative EBITDA 2022 – 2024	35%	Linear, with thresholds
Cumulative Operating Cash Flow Levered 2022-2024	20%	Linear, with thresholds
Cumulative Investments 2022-2024	20%	Linear, with thresholds
Sustainability/ESG - composite objective	25%	Linear, with thresholds

For each economic-financial objective, a threshold level has been defined, equal to 90% of the target as defined, below which no disbursement of the linked premium will be made.

An overall threshold level has been defined for the composite Sustainability - ESG objective (5 specific indicators), equal to 70% of the defined target, below which no disbursement of the related bonus portion is envisaged.

In relation to final calculation methods, the incentive will be paid if 100% of the strategic targets established for the 2022-2024 period are met, with payment deferred until six months after approval of the 2024 financial statements.

In the context of the 2022-2024 LTI Plan there are malus and clawback clauses, which allow the Company to request restitution, entirely or partially of bonuses disbursed, or to withhold sums not yet disbursed, upon the occurrence of Trigger Events.

Considering that the Group has approved a Business Plan to 2030, a plan that expresses - in its long-term duration - a series of strategic choices guided by the desire to grow as a Group and to take on the responsibility of being a stimulus and driver of sustainable development for local areas and communities, the remuneration policy instruments, aimed at stimulating the achievement of strategic objectives, in turn require consistency with the Plan's drivers.

It is therefore deemed appropriate from now on to provide, for the entire duration of the Plan, for the maintenance of the long-term incentive tool, as a sequential succession of closed cash plans, subject to Regulations to be reviewed at the beginning of each three-year period.

#### Rules in the case of termination of office or termination of the employment contract

No severance indemnity is envisaged for the current Chief Executive Officer and General Manager of IREN, but the statutory regulations on fixed-term contracts are applied; in particular, when the contractual terms of the new fixed-term employment relationship with the Company were defined, the following was provided for:

- in case of termination before the end of the employment contract due to the Company's will (i) the remuneration as Chief Executive Officer shall be acknowledged until the end of the term of office; (ii) the remuneration due pursuant to art. 2121 of the Italian Civil Code shall be acknowledged until the end of the employment contract, currently with a maximum of 24 months' pay and a minimum of 6 months' pay;
- in the event of early termination by the manager in the absence of just cause, a notice period of three months is provided for, or the shorter period until the end of the Employment Relationship;

The manager shall also have the right to resign with immediate effect from the Employment Relationship, receiving payment of the amount indicated, in the event that, prior to the end of the same, the competent corporate bodies should revoke, in the absence of just cause, the office and/or the delegated powers, or substantially reduce the delegated powers and/or duties and/or assign similar powers or duties to others, with the exception of the hypothesis of natural expiry of the 2022-2025 term, as well as in any other hypothesis of just cause for resignation.

This is conventionally agreed upon also in order to mitigate any economic and governance risks for the Company, without prejudice to the payments and accruals at the end of the employment relationship established under the law and in the relevant Italian national labour contract.

For all Senior Executives with Strategic Responsibilities, payments and accruals as of the end of the relationship have been established in accordance with the law and the relevant national labour contract. If the relative prerequisites are met, the same may adhere to agreements, defined at Group level, which provide for incentive-based termination of service, based on the provisions of art. 4 of Law 92 of 2012 (the so-called Fornero Law).

Moreover, for the above parties, the effects of any termination of office or termination of employment on the rights granted under the 2022-2024 LTI Plan are described in the relevant Plan Regulation.

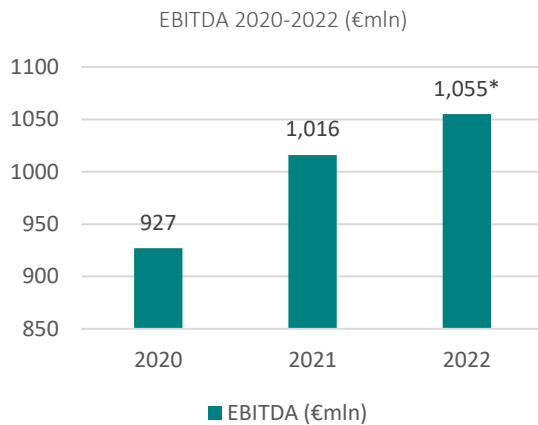
For IREN's Chairperson, Deputy Chairperson and the non-executive Directors, no agreements have been established which provide indemnities in the case of early termination of the office.

Non-competition agreements pursuant to art. 2125 of the Italian Civil Code are not envisaged with regard to the above-mentioned persons, since it is believed that the purpose of retention can be achieved by means of the overall remuneration policy and, in particular, by means of long-term incentive pay, with specific regulations.

#### Non-monetary benefits

Non-monetary benefits, of which a large part established in the relevant National Collective Labour Agreements applied, are in line with market standards. In relation to socio-economic and regulatory developments at the national level, and taking into account specific tax and social security payments, the Group has initiated a welfare plan for its employees.

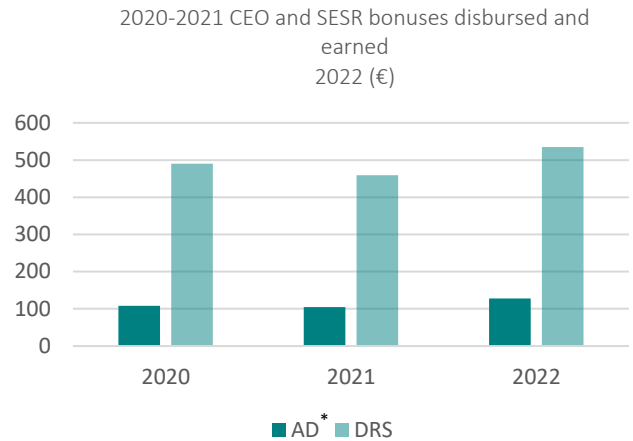
## Pay for Performance



**Figure 1** - IREN EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) 2020-2022.

\* 2020-2022 rate of increase of +14%.

The remuneration of the current CEO/GM has remained unchanged since taking office. With reference to the 2020-2022 timeframe, the total remuneration envisaged for the role of CEO/GM changed on the occasion of the change on 29 May 2021, in order to make the package consistent with the reference market. During the same period, the average gross annual remuneration, based on full-time employees other than those whose remuneration is shown by name in this Report, did not change substantially.



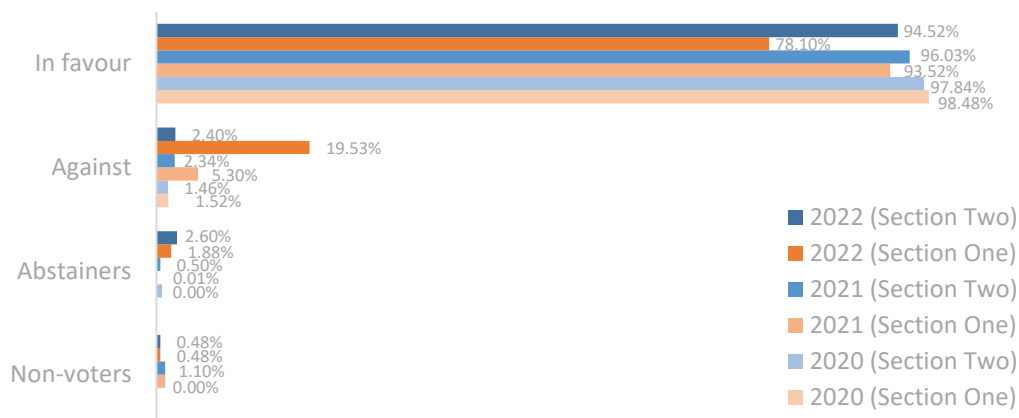
**Figure 2** - MBO Bonus disbursed for years 2020 and 2021 and payable (after approval of the 2022 financial statements by the Shareholders' Meeting) for 2022 for the IREN CEO/GM and IREN Group Senior Executives with Strategic Responsibilities

\*It should be noted that the MBO paid to the CEO in 2021 was pro-rated.

## Result of Shareholders' Meeting Vote

The Shareholders' Meeting of 21 June 2022 resolved in favour and binding of Section One of the Remuneration Report for 2022, with 78.10% of shares with voting rights in favour, down with respect to the result in financial year 2021 (93.52% of shares with voting rights). Whereas, with respect to Section Two, relating to the remuneration paid in FY 2021, it cast an advisory vote, with a percentage of votes in favour equal to 94.52% of the shares admitted to the vote. When drawing up the remuneration policy described in this Report, the results and reasons underlying the votes cast at the Meeting were taken into account, in order to incorporate the feedback received.

### 2020-2021-2022 Meeting Vote Comparison (% of shares admitted to the vote)



# Section One Remuneration Policy 2023

3

## Bodies and individuals involved in the remuneration process

The main bodies and individuals involved in defining, managing and possibly reviewing remuneration for IREN Directors (also invested with special offices pursuant to art. 2389, Italian Civil Code) as well IREN Group Senior Executives with Strategic Responsibilities, in line with the regulatory provisions and By-laws, as well as the Company's governance model, are:

- the **Shareholders' Meeting**, which, by way of example:
  - determines, at the time of appointment and for the entire duration of their term, the total annual compensation for members of the administrative body;
  - determines, pursuant to art. 21 of the By-laws, the total maximum amount of remuneration for Directors with special offices under the By-laws, as well as the relative criteria for determination of the same;
  - resolves, with a binding vote, on Section One and, with a consulting vote, on Section Two of this Report, prepared by the Board of Directors and submitted to the Shareholders' Meeting at the time the annual financial statements are approved;
- the **Board of Directors**, which, by way of example:
  - defines the structure and compensation of all kinds for Directors invested with special offices under the By-laws (Chairperson, Deputy Chairperson and Chief Executive Officer), pursuant to art. 2389, paragraph 3, Italian Civil Code, upon a proposal by the RAC and after hearing from the Board of Statutory Auditors, in line with the criteria for determination adopted by the Shareholders' Meeting and within the limits of the maximum amounts determined by the Shareholders' Meeting for remuneration of these individuals;
  - defines compensation for Directors' participation on internal Board committees;
  - defines the reference objectives linked to the annual short-term variable component for the Chief Executive Officer and General Manager, resolving both when objectives are determined and when the related final amount is calculated, making use of the assistance of the RAC;
  - without prejudice to the responsibilities of the Shareholders' Meeting on the subject, when the conditions established under art. 114-*bis* TUF are met, approves Long Term Variable Incentive Plans and monitors execution of the same, making use of the assistance of the RAC;
  - based on a proposal from the RAC, defines a Remuneration Policy for IREN Executive Directors and IREN Group Senior Executives with Strategic Responsibilities, periodically updating the relative Guidelines;
  - ensures that the remuneration paid and accrued is consistent with the principles and criteria defined in the policy, considering the results achieved and any other circumstances relevant for its implementation.
  - on an exceptional and non-recurring basis, subject to the prior opinion of the Remuneration and Appointments Committee, having consulted the Control, Risks and Sustainability Committee, it may provide for specific temporary derogations from the remuneration policy described in Section One of the Report, without prejudice to the application of the rules laid down in the Procedure on Related Parties Transactions;
  - prepares the Report on Remuneration Policy and Compensation Paid pursuant to art. 123-*ter* TUF, based on a proposal by the RAC;
- the **Chief Executive Officer and General Manager**, who, by way of example:
  - concretely determines, taking into account that established in the Guidelines on remuneration policy approved by the Board of Directors, the remuneration for IREN Group Senior Executives with Strategic Responsibilities, after hearing from the RAC, when necessary;
  - defines, specifically, the reference objectives linked to the annual variable component for Senior Executives with Strategic Responsibilities, making use of assistance from the RAC, both when defining these and when calculating the final amount;

- the **Remuneration and Appointments Committee**, appointed by the Board of Directors, which carries out the tasks specified in the paragraph below;
- the **Board of Statutory Auditors** which:
  - carries out the tasks assigned to it by art. 2389, paragraph 3 of the Italian Civil Code, by the Code (especially with regard to the implementation of the corporate governance rules concerning remuneration and other benefits) and by the RPT Procedure;
  - may attend meetings of the RAC as an invited member, in the person of its Chairperson and/or another Standing Auditor;
  - also by making use of an independent consultant, analyses the remuneration practices that are widespread in the reference sectors and for companies of a similar size with regard to the remuneration of the Control Bodies, with a view to making the results of the analysis available to the Shareholders for the adoption of the relevant measures;
- the **Independent Auditors** which, appointed to audit the financial statements, in compliance with the new reference framework for listed companies, annually verifies that the directors have prepared Part Two of the Report on Remuneration Policy and Compensation Paid, through a simple formal check on the publication of information, without expressing a judgement of the same, nor on its consistency with the financial statements or its compliance with regulations, similar to that established for the auditing of the preparation of the Non-Financial Declaration pursuant to Italian Legislative Decree 254/2016.
- **Company Management**, which assists the RAC with its work, providing secretarial services and assistance with regards to Corporate Law (under the responsibility of IREN's Corporate Affairs Department) and providing information and data needed to research the issues in question (under the responsibility of the IREN Personnel Department).

## IREN Remuneration and Appointments Committee

### Composition, responsibilities, method of operation, informational flows and relationships with external entities

The Remuneration and Appointments Committee is composed of non-executive directors, the majority of whom are independent, with the Chairperson selected from among the independent directors.

On 21 June 2022, following the related establishment, the Board of Directors of IREN appointed as members of the Committee the following non-executive Directors, most of whom are independent: the lawyer Pietro Paolo Giampellegrini (independent) - who acts as Chairperson of the Committee - Gianluca Micconi (independent), Patrizia Paglia (independent) and Cristiano Lavaggi<sup>8</sup>.

At the time of appointment, on the basis of their respective professional experience, the Board of Directors determined that at least one member possessed adequate knowledge and experience with regards to remuneration policy and/or financial issues.

The Committee, in carrying out its responsibilities, operates in compliance with the Regulation, (hereafter also "**RAC Regulation**") approved by the Board of Directors in office at 1 August 2018 (which both the RAC and Board of Directors in office after its appointment examined and adopted).

With regard to remuneration, the Committee carries out the functions indicated in Recommendation no. 25 of the Code and better described in the Regulation on operation - and in particular the following preliminary, propositional and consultative functions towards the Board of Directors:

- formulates proposals to the Board of Directors of the Company regarding the definition of the remuneration policy for the Board of Directors and the Board of Statutory Auditors of the Company and for the Senior Executives with Strategic Responsibilities of IREN Group, in compliance with current legislation and having regard to the recommendations of the Code itself, after interaction with the Control, Risks and Sustainability Committee, as regards the risk and sustainability profiles;
- submits for the approval of the Company's Board of Directors the Report on Remuneration Policy and on Compensation Paid Report prepared under the terms of art. 123-ter Consolidated Law on Finance,

<sup>8</sup> Until that date, in addition to the lawyer Mr. Giampellegrini (reconfirmed), the lawyer Maurizio Irrera and Francesca Grasselli were also members of the Committee.

for its presentation to the Shareholders' Meeting called for approval of the annual financial statements;

- presents proposals or expresses opinions to the Company's Board of Directors on the remuneration of executive Directors and other Directors who hold special positions and establishing performance objectives relating to the short and medium/long-term variable component connected with this remuneration;
- monitors the actual application of the decisions adopted by the Board itself and of the remuneration policy adopted, verifying, in particular, the effective achievement of the short and medium-long term performance objectives referred to in the previous point;
- formulates proposals to the Company's Board of Directors on the remuneration of the members of the Committees set up within the Board itself;
- also taking into account the vote on Section One and Section Two of the Report on Remuneration Policy and Compensation Paid at the time of the Shareholders' Meeting, periodically assesses the adequacy, overall consistency and concrete application of the remuneration policy for IREN Directors and for IREN Group Senior Executives with Strategic Responsibilities, relative to the latter making use of the information provided by the relevant delegated bodies and providing the Board of Directors with proposals on this area;
- also by making use of an independent consultant, examines the remuneration practices that are widespread in the reference sectors and for companies of similar size with regard to the remuneration of the Board of Directors and the members of the Committees, with the purpose of making the results of the analysis available to the Shareholders for the adoption of the measures for which they are responsible pursuant to art. 2389, paragraph 1 of the Italian Civil Code;
- carries out the actions envisaged in the RPT Procedure, in the case of transactions involving the remuneration of Company Directors and Senior Executives with Strategic Responsibilities.

A flow of information relative to the Company's Board of Directors is envisaged. To that end, the Chairperson informs the Board of Directors, at the time of its first useful meeting, about the activities carried out by the Committee, the issues discussed and any observations, recommendations or opinions prepared, in compliance with the Code and separately accounting for activities carried out based on remuneration aspects pursuant to art. 5 of the Code and on appointment aspects pursuant to art. 4 of the Code.

The Committee reported to the Shareholders' Meeting called to approve the 2021 financial statements with regards to the methods used to carry out its responsibilities. Furthermore, a member of the Committee attended the Annual Shareholders' Meeting, held on 21 June 2022.

The Committee meetings held in 2022 were always attended by at least one Statutory Auditor of IREN.

By invitation of the Committee, Executive Directors or Directors with specific mandates and Company Managers attended certain meetings, so as to provide input on individual agenda items pertaining to their areas of responsibility.

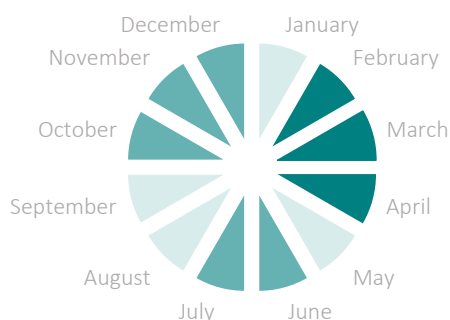
No Director took part in Committee meetings in which proposals intended for the Board were formulated on matters concerning their remuneration, unless the proposals regarded members of internal Board committees in general.

In carrying out the tasks assigned to it, the Committee has the right to access information and company departments needed to carry out its tasks and may make use of the work of external consultants with expertise relative to remuneration policies, on the condition that these are not simultaneously providing the IREN Personnel Department, Company Directors or IREN Group Senior Executives with Strategic Responsibilities with services of an amount such as to compromise the independence of the consultant's judgement and, in any case, within the limits of the budget established by the Board of Directors.

In selecting consultants, the Committee makes use of the relevant company departments, which operate in compliance with current Group procedures.

## Activities in 2022 and those scheduled for 2023

Cycle of activities regarding the remuneration of the Remuneration and Appointments Committee (RAC)  
FY 2022



During 2022, the RAC met twelve (12) times<sup>9</sup> - one (1) of which held jointly with the IREN Control, Risk and Sustainability Committee - with the total participation of 95% of its members and the presence of at least one Standing Auditor from the Board of Statutory Auditors at all meetings, dealing with the issues summarised below.

### Main remuneration issues addressed in 2022

<p><i>February 2022</i></p>	<p>Acknowledgement of the budget assigned for the year by the Company's Board of Directors.</p> <p>Assignment to an independent third-party consultant, identified in EY, of the task of assisting the Committee in the preparatory activities for the preparation of the Report on the 2022 Remuneration Policy and on the remuneration paid in 2021.</p> <p>Examination of the communication, by the Chief Executive Officer and General Manager of IREN, on the update of the list of Senior Executives with Strategic Responsibilities of IREN Group and on the examination of the proposal, expressed by the Chief Executive Officer and General Manager of IREN, with reference to the remuneration for the person who, as of March 2022, took on the role of Director of Personnel and Organisation of IREN.</p> <p>Examination of recommendations contained in the letter sent to listed Italian companies in December 2021, signed by the Chairperson of the Italian Corporate Governance Committee</p>
<p><i>March 2022</i></p>	<p>Definition of proposed Guidelines for remuneration policy for IREN Executive Directors and IREN Group Senior Executives with Strategic Responsibilities for 2022.</p> <p>Definition of the proposal (functional to the making of the consequent resolutions by the relevant IREN bodies) for the performance objectives for 2022 for the IREN Chief Executive Officer and General Manager in office at the time and IREN Group Senior Executives with Strategic Responsibilities.</p>
<p><i>April 2022</i></p>	<p>Investigation regarding the level of achievement for short-term performance objectives assigned for 2021 for the IREN Chief Executive Officer and General Manager and IREN Group Senior Executives with Strategic Responsibilities.</p> <p>Investigation regarding the finalisation of the 2019-2021 Long-Term Monetary Incentive Plan, prior to the decisions pertaining to the Board of Directors.</p> <p>Examination of the proposed 2022-2024 LTI Plan and expression of the competent opinion in view of the measures of the IREN Board of Directors.</p> <p>Examination of the communication, by the Chief Executive Officer and General Manager of IREN, on the update of the list of Senior Executives with Strategic Responsibilities of IREN Group and on the examination of the proposal, expressed by the Chief Executive Officer and General Manager of IREN, with reference to the remuneration for the person who, as of May 2022, took on the role of Director of Technologies and Information Systems of IREN.</p> <p>Examination of the Report on the 2022 Remuneration Policy and on the compensation paid in 2021 and formulation of the functional proposal for the taking of the relevant measures by the Board of Directors of the Company.</p>
<p>Shareholders' Meeting of 21 June 2022 and renewal of the Committee</p>	
<p><i>June 2022</i></p>	<p>Appointment of the Committee, acknowledgement of the appointment of the respective Chairperson by the Board of Directors and appointment of the Secretary.</p> <p>Preliminary examination of compensation for Directors with special offices appointed for the three year period 2022-2024, as well as for members of internal Board of Directors committees, functional to the adoption of the relative provisions by the administrative body, after hearing from the Board of Statutory Auditors.</p> <p>Appointment of an independent third-party consultant, identified as EY, to assist the Committee in the preparation of the Addendum to the Regulation of the 2022-2024 Long-Term Incentive Plan.</p>
<p><i>July 2022</i></p>	<p>Analysis of the report prepared by advisor Morrow Sodali with reference to the results of the shareholders' meeting vote on the Report on the 2022 Remuneration Policy and on the 2021 remuneration paid, the best practices in the area of remuneration policy as well as the requests from institutional investors and proxy advisors.</p> <p>Examination of the Addendum to the Regulations of the 2022-2024 Long-Term Incentive Plan, with a view to the Company's Board of Directors taking the relevant measures.</p>

<sup>9</sup> Including 6 meetings prior to the renewal of the Board of Directors by the Shareholders' Meeting of 21 June 2022.



Definition of the proposal (functional to the making of the consequent resolutions by the relevant IREN bodies) for the performance objectives for 2022 for the Director of Technologies and Information Systems of IREN.

October 2022	Examination of the impacts deriving from the resolution passed by the Board of Directors on 13 October 2022 in relation to investments with particular regard to the performance mechanisms envisaged under the short-term incentive schemes for the corporate population (including IREN Group's Executives with Strategic Responsibilities and the Chief Executive Officer and General Manager of IREN S.p.A.).
November/December 2022	Selection of an independent third-party consultant, identified in EY, assigned the task of assisting the Committee in the preparatory activities for the preparation of the Report on the 2023 Remuneration Policy and on the compensation paid in 2022.

During 2023, as at the date of approval of this Report, the Committee in office met seven (7) times (i.e. on 19 January, 10 February, 15 March - with work continuing on 17 March - as well as, again on 17 March, jointly with IREN's Control, Risks and Sustainability Committee, and subsequently on 23 March and 30 March 2023), and its activity focused, in particular, on:

- examination, as relevant, of the letter from the Chairperson of the Italian Corporate Governance Committee, which was received in January 2023, sent to the attention of the Chairpersons of Italian listed companies;
- entrusting a third-party and independent consultant, identified in EY, with the task of assisting the Committee in the activities of analysis and possible definition of existing/implementable protection tools, taking into account the practices in use at comparable companies, in the case of exit of key figures, to address the risks of competition and solicitation of resources, as well as related to the disclosure of confidential information, as well as the examination of the initial results of said analysis and the start of the consequent activities for the possible introduction of said tools;
- with the support of the advisor EY, the definition of the proposal of Guidelines on the subject of remuneration policy for Directors, including executive directors/with special offices, and Statutory Auditors of IREN as well as the top management of IREN Group for the financial year 2023 (hereinafter also "**Guidelines**" or "**2023 Guidelines**"), subsequently approved by the Board of Directors of the Company on 22 March 2023;
- the definition of a proposal, functional to the making of consequent resolutions by the relevant IREN bodies, with regards to the setting of performance objectives for financial year 2023 linked to the short-term variable component of the remuneration of the IREN Chief Executive Officer and General Manager and the individuals identified as IREN Group Senior Executives with Strategic Responsibilities;
- verification of the achievement of short term performance objectives assigned for 2022 to the IREN Chief Executive Officer and General Manager and IREN Group Senior Executives with Strategic Responsibilities, preparatory to the adoption of the relevant and consequent resolutions by the relevant bodies;
- preliminary examination of this Report, in order to prepare a proposal for the Company's Board of Directors regarding the taking of the resolutions falling under its responsibility.

On 17 March 2023, a joint meeting was held between the IREN Remuneration and Appointments Committee and the Control, Risk and Sustainability Committee, during which the update to the 2023 Guidelines was examined, relative to the responsibilities assigned to each Committee, preliminarily with respect to the resolutions to be taken by the Company's administrative body.

In particular, by the Control, Risks and Sustainability Committee, in light of the functions assigned to it in relation to risk management and corporate social responsibility, attention was paid to the profile of the consistency of the Guidelines (especially with reference to incentive systems) with the Company's risk management policy and the sustainability strategy outlined in the Business Plan and the "adequacy" of the same for the ultimate purpose the creation of value for shareholders and stakeholders in the medium to long term.

Upcoming meetings during the year in course will, among other things, regard monitoring of the 2022-2024 Long Term Incentive Plan, analysing the voting results on Section One and Two of this Report, as well as assessing the adequacy, overall consistency and concrete application of the policy relative to Section One of this Report, also for the purposes of creating Guidelines for the remuneration policy for the next year.

## 2023 Remuneration Policy approval process

The Remuneration and Appointments Committee, in the exercise of its powers and in accordance with the recommendations of the Code, defined the structure and contents of the Guidelines on the remuneration policy of Directors, including executive directors/with special offices, and of the Statutory Auditors of IREN as well as the top management of IREN Group for the year 2023, for the purposes of preparing this Report, in the meeting of 15 March 2023 and 17 March 2023 jointly with the Control, Risks and Sustainability Committee, for the profiles of relevance.

The Guidelines were then approved by the Board of Directors, on the basis of a proposal from the Remuneration and Appointments Committee, at its meeting on 22 March 2023.

The remuneration policies defined in line with the instructions of the Board of Directors are implemented by the delegated bodies, with the assistance of the relevant company departments.

In order to prepare the 2023 Guidelines, common practices identified in both the national and international sectors were assessed, as well as feedback received from institutional investors and proxy advisors when the Remuneration Report was examined by the Shareholders' Meeting on 21 June 2022: on that occasion, there was in fact a lower consensus on Section One of the Report.

When preparing the 2023 Guidelines, the Remuneration and Appointments Committee made use of the support of EY, independent advisor to which the Committee has entrusted, also for 2023, the task of assisting in all preparatory activities for the preparation of this Report.

## Objectives and general principles of the Remuneration Policy

Remuneration policies, defined in compliance with the Company's governance model, as well as with the recommendations contained in art. 5 of the Corporate Governance Code, pursue the general goal of attracting, retaining and motivating individuals useful for the development of the Group, recognising the responsibilities assigned to them, and guiding their actions towards the achievement of company objectives, rewarding the results obtained.

More specifically, these policies contribute to aligning the interests of management with the - priority - objective of ensuring the sustainable success of the Company, by increasing value for shareholders in the medium/long term, taking into account the interests of stakeholders, and make it possible to achieve sustainable and stable results in the short and long term in line with the Business Plan, in which the ESG (Environment, Social and Governance) aspects are integrated, to implement adequate retention of strategic positions for governance and business and, in general, to pursue the vision, mission and corporate values.

Furthermore, the long-term interests of the Company and the Group's risk management policy are an integral part of the Group's internal control and risk management system (which is illustrated in the Report on Corporate Governance and Ownership Structures pursuant to art. 123-*bis* TUF), in accordance with which the Remuneration Policy was prepared. In order to monitor these aspects, the choice has been made to hold a joint meeting between the Remuneration and Appointments Committee and the Control, Risk and Sustainability Committee of IREN S.p.A. for 2023 to examine, in compliance with the functions and prerogatives of their respective competences, the 2023 Guidelines, prior to the resolutions for which the Company's administrative body is responsible.

In terms of remuneration policies, the short-term incentive system for the IREN Chief Executive Officer and General Manager, IREN Group Senior Executives with Strategic Responsibilities, as well as for additional resources who can contribute significantly to the achievement of the Group's budget objectives, represents a tool intended to differentiate excellent performance without any form of automatic recognition and not linked to the achievement of assigned objectives and, in each case, pursues the goal of:

- allowing performance to be assessed on quantitative and qualitative variables with a direct link to the company's performance, as well as to its strategic objectives and sustainable success, in line with the company's risk management policy;
- guaranteeing that the variable component, with respect to the fixed component, creates an incentive and is significant;
- avoiding the creation of excessively complex mechanisms, difficult to communicate and manage;
- selectively guiding individual performance, while also guaranteeing the achievement of Group and company goals.

The long-term variable remuneration component - confirmed for the entire duration of the Business Plan, as a sequential succession of closed, monetary plans, subject to Regulations to be reviewed at the beginning of each three-year period, for Directors holding special offices within IREN - without prejudice to what will be specified below -, for IREN Group Senior Executives with Strategic Responsibilities, as well as for other resources that can make a significant contribution to achieving the objectives of the Group's 2030 Business Plan, pursues the objective of:

- stimulating the ability to create value for the Group, rewarding the achievement of industrial, strategic and business objectives;
- guaranteeing the achievement of economic-financial and ESG objectives in the context of medium/long-term sustainability;
- strengthening the motivation of the relative beneficiaries in pursuing the strategic objectives set out in the Business Plan, aligning their interests with those of stakeholders (shareholders, customers, employees, etc.);
- attracting and motivating employees, rewarding the achievement of results and a culture of performance, as well as virtuous behaviours implemented to achieve the same;
- developing and strengthening retention policies for key company resources, making it possible to increase their sense of belonging and create incentives for them to remain with IREN Group;
- ensuring that the pay-mix (relative weights of fixed remuneration, short-term and long-term variable remuneration) is in line with market practices, without prejudice to the principle of sobriety which characterises the Company.

With regard to the non-executive Directors and the members of the Board of Statutory Auditors, the objective of the policies is to make available to the Shareholders all the elements that enable them to adopt the measures that pertain to them, by defining, in the appropriate venues, remuneration that is appropriate to the competence, professionalism and commitment required by the tasks assigned to them, as well as to the size and sector characteristics of the Company and its situation.

The process of developing the 2023 Guidelines also took into account:

- resolutions made on the issue of compensation of the Directors, adopted by the Shareholders' Meeting on 21 June 2022, in particular the principles of the comprehensive nature of remuneration and the obligation to pay back employees and the amounts established as maximum compensation for Directors with special offices within IREN and for the remuneration of the entire board;
- the indications expressed by public Shareholders regarding the positions appointed by them pursuant to current Shareholders' agreements;
- the overall significance of positions and roles examined;
- the results of the remuneration benchmarking carried out in 2021 by the Remuneration and Appointments Committee, with reference to the remuneration of the non-executive Directors and the members of the internal committees (with the support of the advisor The European House - Ambrosetti);
- the results of the benchmark on the remuneration positioning of IREN Group Executives with Strategic Responsibilities (with reference to the 2022 remuneration market), compared to a panel of companies of a similar size to IREN and with a particular focus on the utilities and energy sector in Italy and on similar roles in terms of content/level of responsibility, with the support of Mercer Italia.

As already mentioned, requests from the market and institutional investors relative to top management remuneration policies were taken into account, as well as best practices on the market, through:

- in-depth analysis of the outcome of the Shareholders' Meeting vote on the Report on the 2022 Remuneration Policy and on the compensation paid for 2021 submitted to the Shareholders' Meeting held on 21 June 2022;
- examination of the issues needing attention raised by the Chairperson of the Italian Corporate Governance Committee in the letter sent in January 2023 to the competent bodies of Italian listed companies;
- an in-depth study of this as part of the annual self-assessment activity of the Board of Directors and its Committees.

Letter from the Chairperson of the Italian Corporate Governance Committee (January 2023)

Remuneration recommendations	IREN
Inclusion in the remuneration policy of the CEO and other executive directors of an executive summary, in tabular form, showing the composition of the remuneration package.	✓
Provision in the remuneration policies of a variable component with a multi-year horizon, consistent with the company's strategic objectives and the pursuit of sustainable success.	✓
For companies with incentive mechanisms for the CEO and other executive directors linked to sustainability targets, please provide a clear indication of the specific performance targets to be achieved.	✓

The criteria summarised above, as well as the principles adopted by the Shareholders' Meeting were applied, to the extent compatible, also when the delegated bodies determined the remuneration for IREN Group Senior Executives with Strategic Responsibilities, as established in the Corporate Governance Code (see the dedicated section herein).

## Changes with respect to the Remuneration Policy approved the previous year

As mentioned above, since this is the first year of the Board's term of office, the 2023 Guidelines do not present any particular novelties compared to what was examined for 2022 by the Meeting on 21 June 2022. In its first year of office, the commitment of the Remuneration and Appointments Committee and the Board was particularly aimed at formulating clear, effective and transparent remuneration policies which, despite the absence of substantial changes with respect to the consolidated structure, continue to constitute a key tool for achieving strategic objectives and for creating long-term value in the interest of all shareholders and stakeholders.

In this regard, with reference to the structure of the variable remuneration for 2023, in line with the Group Business Plan objectives, it is expected that the significant weight assigned to ESG (Environment, Social, Governance) objectives - weight of 30% - will be maintained, as well as, among the project objectives, the business initiatives aimed at achieving medium-long term ESG objectives.

With the intention of confirming, maintaining and stabilising the constructive dialogue established with shareholders and, more generally, with all stakeholders of IREN Group, also taking into account the outcome of the vote on the previous Report, the disclosure on certain aspects has also been improved.

## Remuneration Policy Guidelines for 2023

The Remuneration Policy for 2023 is based on the following Guidelines.

### Members of the Board of Statutory Auditors

No changes are envisaged for 2023, the third and last year of the Board's term of office (appointed by the Shareholders' Meeting on 6 May 2021 for the three-year period 2021-2023). The fees for the Standing Auditors were established by the Shareholders' Meeting in continuity with the previous term of office.

### Non-executive Directors and members of internal Board committees

For non-executive Directors, the Guidelines do not include any changes with respect to the previous ones. Recall, therefore the compensation for the office of Director, established by the Shareholders' Meeting on 21 June 2022 of 30,000 Euro gross annually, as well as reimbursement of expenses suffered for the office, in compliance with the Guidelines adopted on the subject by the Company's Board of Directors.

Additional compensation due for participation on internal Board Committees for the three year period 2022-2024 (Remuneration and Appointments Committee; Control, Risk and Sustainability Committee; Related Party Transaction Committee) were established by the Company's Board of Directors, in compliance with the caps established by the Shareholders' Meeting on 21 June 2022, differentiating between the Chairperson and other members, as follows:

Fees for members of the Board Committees - 2022-2024 term of office

<i>Committee</i>	<i>Role</i>	<i>Gross annual remuneration in Euro</i>
Remuneration and Appointments Committee/Related Party Transactions Committee	Chairperson	15,000
	Component	10,000
Control, Risk and Sustainability Committee	Chairperson	18,000
	Component	10,000

In line with previous terms, no distinction is established in terms of remuneration for independent Directors.

Remuneration of non-executive Directors is not linked to the economic results achieved by the company, nor are they the recipients of incentive plans.

For non-executive Directors, no agreements have been established which provide indemnities in the case of early termination of the office.

### Chairperson of the Board of Directors and Executive Deputy Chairperson

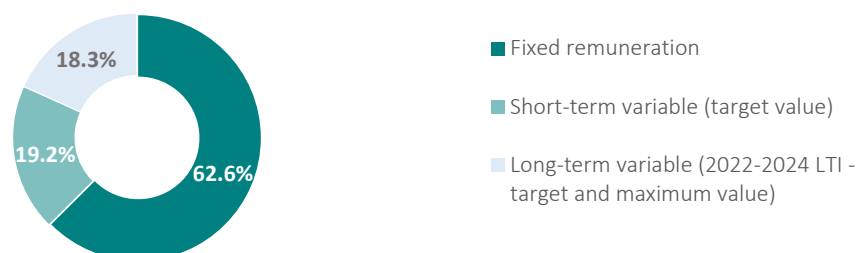
With reference to the executive Chairperson and Deputy Chairperson, the Guidelines do not include any changes with respect to the previous ones. Reference is in fact made to the overall 'package' determined by the Board of Directors on 6 July 2022, which is better described in Section Two.

No indemnities have been established for the Chairperson and Executive Deputy Chairperson in the case of early termination of the term, nor any short-term variable incentive components.

With regards to non-monetary benefits, the 2023 Guidelines do not include any particular changes with respect to the previous year. For more information on this, please see Section Two.

## Chief Executive Officer and General Manager

*Total Pay-Mix*  
for the Chief Executive Officer and General Manager on an annual basis - financial year 2023

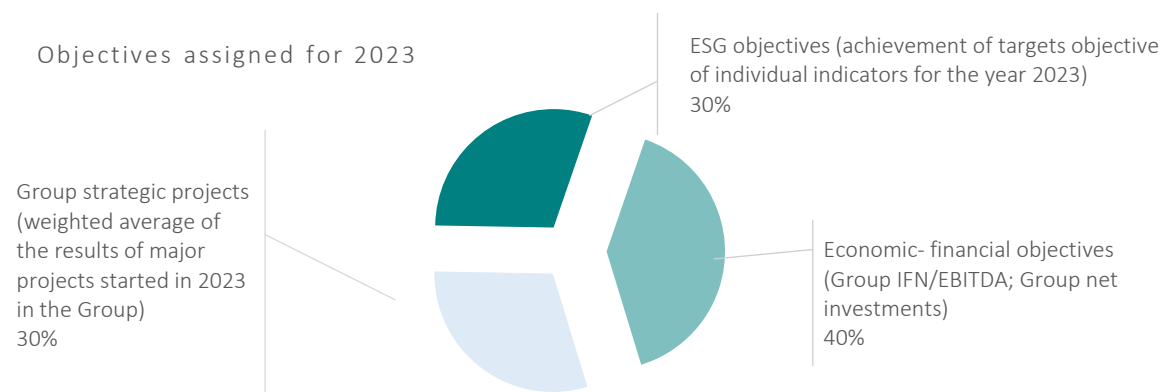


With reference to the Chief Executive Officer and General Manager of IREN, confirmed for the 2022-2024 term of office and holder of a fixed-term employment relationship with the Company (with duration from 8 June 2021 until 31 May 2025), the Guidelines do not envisage any changes with respect to what is in place. Reference is first made to the overall 'package' determined by the Board of Directors as follows:

- Fixed Gross Annual Remuneration equal to 400,000 Euro, paid in relation to the performance of the office of General Manager of the Company (to which is added the gross annual remuneration pursuant to art. 2389, paragraph 3, of the Italian Civil Code, in relation to the office of Chief Executive Officer of the Company, resolved by the Board of Directors of the Company on 6 July 2022 in the amount of 57,000 Euro)<sup>10</sup>
- Short-term Gross Annual Variable Remuneration equal, in target value, to about 35% of the Gross Annual Remuneration, in relation to the achievement of the objectives defined annually by the Board of Directors;
- Long-Term Variable Remuneration equal, for the three-year vesting period 2022-2024, to 100% of the Gross Annual Remuneration, in the event of reaching 100% of the Targets.

### 2023 Short-term Variable Incentives

The performance objectives for the IREN's Chief Executive Officer and General Manager for 2023 were assigned by the Company's Board of Directors through a resolution passed on 22 March 2023, after a study by the Company Remuneration and Appointments Committee.



The Company does not represent the annual value of these parameters, as it considers this to be sensitive information. Note that when the Business Plan is presented, the Company will provide the market with information in regards to these parameters. With regards to the economic- financial and ESG objectives, the value of each objective is aligned with the budget value at the level of the target result. The final figures must be considered net of the effects of extraordinary transactions carried out during the year and not included in the budget.

<sup>10</sup> Without prejudice to that outlined above with reference to the fixed compensation for the specific office, also for the Chief Executive Officer in office, due to the employment relationship with the Company, the principle of comprehensiveness of remuneration paid for the executive position is binding, as indicated in the Shareholders' Meeting resolution of 21 June 2022, with the consequent non-disbursement of compensation as a simple Director, and the transfer to the company of any compensation received through offices in companies or entities extraneous to the Group based on designation by a company of the Group.

As recommended by IREN’s Board of Directors and confirmed by best practices, in line with the previous three-year period, sustainability (ESG) targets have been maintained for 2023, with a weight of 30%.

With reference to incentive mechanisms, again in 2023, as in previous years, binding conditions or “gates” continue to be included, linked to maintaining an investment grade rating from one of the primary ratings companies, with the objective of strengthening the consistency of performance requirements and aligning the behaviours rewarded by the variable remuneration systems, as well as avoiding the disbursement of incentives in the face of decidedly unsatisfactory results.

With the aim of making the short-term incentive system challenging, the minimum overall average achievement threshold of individual objectives greater than and/or equal to 70% is maintained for 2023, as a further condition for access to payment.

Each Performance Indicator (with a predetermined target, in line with budget values) is assessed on the basis of a specific metric, with the minimum threshold set at 60% of the objective result (below which, the result is considered to be zero) and a maximum threshold of 100% of the objective (target value).

Also for 2023, a corrective factor will be applied for the IREN Chief Executive Officer and General Manager for individual results (individual objectives), aimed at incentivising the creation of value by the Group with respect to planned targets.

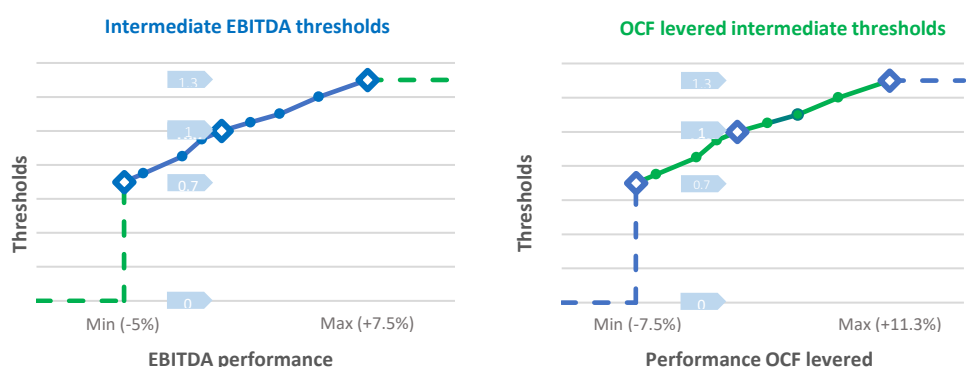
EBITDA and Operating Cash Flow levered (OCF levered) have been selected as the economic/financial indicators which best represent the correlation between development and creation of value.

The corrective factor “K” (multiplier or demultiplier of the percentage value obtained for the individual objective sections, within the limits of that specified below) will be a numeric value, equal to the weighted average of the two indicators, with weights and metrics indicated below:

Objective	Weight	Indicator	Measurement	Thresholds (min-max)
Group EBITDA	60%	Final Figure vs. Target (Budget)	Linear with thresholds	Final Figure vs. Target < -5%; 0 Final Figure vs. Target ≥ +7.5%; 1.3
OCF Levered Group	40%	Final Figure vs. Target (Budget)	Linear with thresholds	Final Figure vs. Target < -7.5%; 0 Final Figure vs. Target ≥ +11.3%; 1.3

For both factors, the final figures must be considered net of the effects of extraordinary transactions carried out during the year and not included in the budget.

This factor «K» will have a value of no less than 0.7 and the overall achievement percentage - considered for the purposes of disbursement of the final amount - will be determined as the product of factor «K» and the result of the individual objectives section, the latter with an achievement constraint of at least ≥ 70%, with a ceiling of 120%.



For 2023, the deferral mechanism for disbursement of the bonus accrued is confirmed, amounting to 3 (three) months after the date on which the relevant bodies determine the final amount.

Finally, in the context of the short term incentive system for 2023 for the Chief Executive Officer and General Manager, malus and clawback clauses continue to be applied, which allow the Company to request

full or partial restitution of bonuses disbursed, or to withhold sums not yet disbursed upon the occurrence, with three years after the end of the period in which the bonus accrued or a longer term in accordance with applicable law, of one or more of the following Trigger Events:

- fraudulent actions committed by the beneficiary of the bonus;
- non-compliance, by the beneficiary, with compliance standards established in IREN Group Code of Ethics or with internal and external regulations regarding anti-trust behaviour, or the commission of grave violations of internal regulations or provisions ascertained by the relevant delegated bodies or company control bodies within the year following that of accrual;
- bonuses determined on the basis of information which is subsequently found to be erroneous, regardless of whether this erroneous assessment is attributable to the beneficiary;
- not maintaining the results in economic and financial reports of the Company or Group for a period of twelve months;
- major objectives in specific projects not confirmed after an independent audit, within twelve months of identification of the final figures.

#### **Payments established in the case of termination of office or termination of the employment contract**

No severance indemnity is envisaged for the current Chief Executive Officer and General Manager of IREN, but the statutory regulations on fixed-term contracts are applied; in particular, when the contractual terms of the new fixed-term employment relationship with the Company were defined, the following was provided for:

- in case of termination before the end of the employment contract due to the Company's will (i) the remuneration as Chief Executive Officer shall be acknowledged until the end of the term of office; (ii) the remuneration due pursuant to art. 2121 of the Italian Civil Code shall be acknowledged until the end of the employment contract, currently with a maximum of 24 months' pay and a minimum of 6 months' pay;
- in the event of early termination by the manager in the absence of just cause, a notice period of three months is provided for, or the shorter period until the end of the Employment Relationship;

The manager shall also have the right to resign with immediate effect from the Employment Relationship, receiving payment of the amount indicated, in the event that, prior to the end of the same, the competent corporate bodies should revoke, in the absence of just cause, the office and/or the delegated powers, or substantially reduce the delegated powers and/or duties and/or assign similar powers or duties to others, with the exception of the hypothesis of natural expiry of the 2022-2025 term, as well as in any other hypothesis of just cause for resignation.

This is conventionally agreed upon also in order to mitigate any economic and governance risks for the Company, without prejudice to the payments and accruals at the end of the employment relationship established under the law and in the relevant Italian national labour contract.

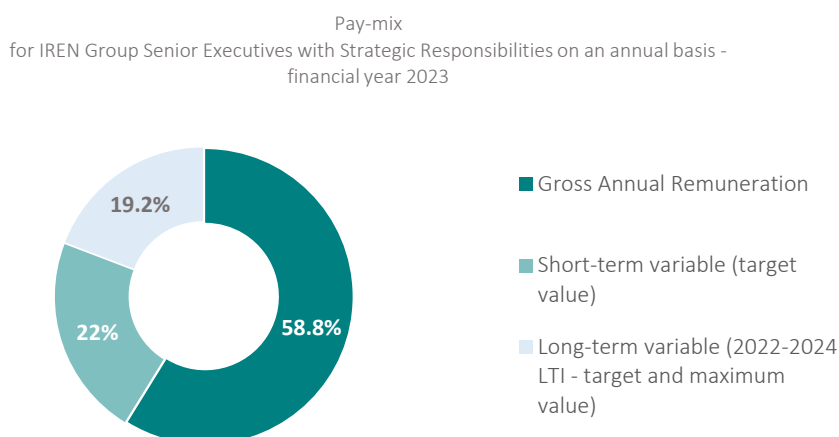
The effects of any termination of office or termination of employment on the rights granted under the 2022-2024 LTI Plan are described in the special Addendum to the relevant Plan Regulation.

#### **Non-monetary benefits**

For the Chief Executive Officer and General Manager of IREN, as regards non-monetary benefits, the 2023 Guidelines do not provide for substantial changes compared to what is currently in place, for which reference should be made to Section Two below.



## Senior Executives with Strategic Responsibilities



### Fixed remuneration

The fixed component of the remuneration established for the executive employment relationships in place between the Company and the Senior Executives with Strategic Responsibilities of IREN Group has the objective of enhancing the skills, responsibilities and growth potential of the most relevant and difficult to find professionals on the labour market, retaining and motivating people with the professional qualities required to successfully manage the Company.

Taking into account the results of the remuneration studies carried out, which highlighted a general positioning of the above-mentioned persons in the low end of the reference remuneration market (overall average differential of more than -23% on the 2021 remuneration market), the IREN Board of Directors in office at the time had indicated to the Board of Directors to be appointed in the future (which took office on 21 June 2022) as part of the Report on the 2022 Remuneration Policy and on the 2021 remuneration paid, the opportunity of evaluating an action to progressively adjust the relative remuneration positioning with respect to the established market target (median of the chosen reference remuneration market known as the “Restricted Industry Panel”, which is less competitive than the general market known as the “All Industry”, used as a reference for the remaining corporate population).

Considering the external context and the economic and social situation of the country, as a choice of social responsibility, it was decided to postpone the action of progressive salary adjustment starting from 2023, an adjustment that is intended to be carried out in consideration of the update of the aforementioned benchmark referred to the 2022 salary market, which confirmed a general positioning of Senior Executives with Strategic Responsibilities in the low end of the salary market, i.e. with an overall average differential of more than -29%.

It remains that:

- in line with market practice, higher-weighted roles may not have a lower total compensation package than one or more of those working directly under their management; and
- it is necessary to avoid imbalances between the roles in question, taking into account factors such as the powers assigned, the characteristics of the companies managed (number of employees, turnover, average investments) and the product sector in which they operate, as well as the skills required, also with a view to maintaining high levels of competitiveness and motivation.

Taking into account the principle of comprehensive remuneration and the obligation of transfer, in the case of a lack of high level organisational positions covered within the Group (including, by way of example, Chief Executive Officer of a direct subsidiary), for IREN Group Senior Executives with Strategic Responsibilities with non-fixed term employee contracts a portion of fixed remuneration will also continue to be assigned as an indemnity linked to the position assigned (which can be defined as a “office indemnity” or “organisational position indemnity”).

### Short-term Variable Incentives

In line with the findings of specific salary comparison studies, which show that the percentage of variable remuneration for IREN Group Executives with Strategic Responsibilities is substantially in line with market best practices, the maximum percentage of short-term incentive for the aforementioned persons, upon reaching the target, is, on average, 37.4% with respect to fixed remuneration. Again in this case, taking into account the principle of comprehensive remuneration and the obligation of transfer, it is established that a portion of variable remuneration is connected explicitly to the position of Director with powers, or to organisational offices held.

For 2023, the selection of Performance Indicators and their relative weights was based on reasoning already partially anticipated with reference to the Chief Executive Officer and General Manager: (i) monitoring of the main objectives for the Group/managed business area relating to economic, financial and operational performance (e.g. Growth Marginality, Control of Indebtedness and Investments,...), with a weight equal, in most cases, to 40%; (ii) sharing of responsibilities for strategic group projects by defining, for Senior Executives with Strategic Responsibilities, 30% of the performance indicators for projects related to innovation, development, service quality improvement or, in any case, projects linked to business initiatives aimed at achieving medium-long term ESG objectives; (iii) maintaining the focus on stakeholder relations and ESG factors, as recommended by the Board of Directors, by maintaining for all IREN Group Senior Executives with Strategic Responsibilities a composite performance objective linked to the priority areas of intervention defined in the Business Plan - in relation to the various areas of activity - such as decarbonization, circular economy, resilient cities, water resources, attention to customers, attention to staff and gender diversity, with weight equal to 30%, as in the previous year.

Again in 2023, with the aim of avoiding disbursement of incentives in the face of decidedly unsatisfactory results, a gate condition was introduced linked to the maintenance of an investment grade rating from one of the primary ratings company.

Again in 2023, a minimum overall average achievement threshold has been set for Senior Executives with Strategic Responsibilities of greater than or equal to 70%, as an additional condition for receiving the payment.

Each Performance Indicator (with a predetermined target, in line with budget values) is assessed on the basis of a specific metric, with the minimum threshold set at 60% of the objective result (below which, the result is considered to be zero) and a maximum threshold of 100% of the objective (target value).

Also for Senior Executives with Strategic Responsibilities, for 2023, an individual results correction factor (individual targets) - linked to the EBITDA and Operating Cash Flow levered (OCF levered) values (at Group level or - for the Networks Business Unit, in line with the provisions of the Integrated Functional Unbundling Text - at Business Unit level) - is applied to take into account and incentivise the creation of value by the Group with respect to the planned targets.

The corrective factor “K” (multiplier or demultiplier of the percentage value obtained for the individual objective sections, within the limits of that specified below) will be a numeric value, equal to the weighted average of the two indicators, with weights and metrics indicated below:

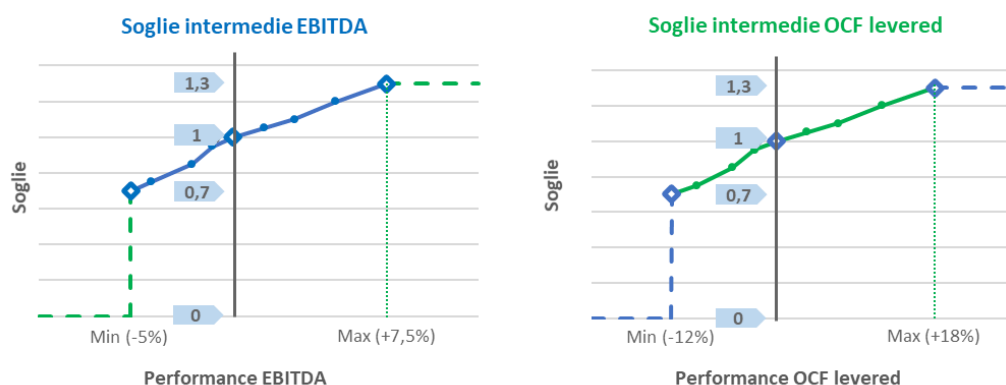
#### Group Factor K

Objective	Weight	Indicator	Measurement	Thresholds (min-max)
Group EBITDA	60%	Final Figure vs. Target (Budget)	Linear with thresholds	Final Figure vs. Target < -5%; 0 Final Figure vs. Target ≥ +7.5%; 1.3
OCF Levered Group	40%	Final Figure vs. Target (Budget)	Linear with thresholds	Final Figure vs. Target < -7.5%; 0 Final Figure vs. Target ≥ +11.3%; 1.3

#### K-Factor for Independent Operators

Objective	Weight	Indicator	Measurement	Thresholds (min-max)
EBITDA Networks BU	60%	Final Figure vs. Target (Budget)	Linear with thresholds	Final Figure vs. Target < -5%; 0 Final Figure vs. Target ≥ +7.5%; 1.3
OCF Levered Networks BU	40%	Final Figure vs. Target (Budget)	Linear with thresholds	Final Figure vs. Target < -12%; 0 Final Figure vs. Target ≥ +18%; 1.3

For both factors the final figures must be considered net of the effects of extraordinary transactions carried out during the year and not included in the budget.



Without prejudice to that indicated herein, with reference to the process used to determine the final figures for objectives assigned to Senior Executives with Strategic Responsibilities, incentive mechanisms, performance curves and deferral periods, please see that indicated for the Company's Chief Executive Officer and General Manager.

Also for Senior Executives with Strategic Responsibilities of IREN Group clawback clauses have been determined, with the same conditions already referenced for the Chief Executive Officer and General Manager of IREN.

#### Non-monetary benefits

With regards to non-monetary benefits for Senior Executives with Strategic Responsibilities, the 2023 Guidelines do not include any substantial changes with respect to the previous year. For more information on this, please see Section Two.

#### Payments established in the case of termination of office or termination of the employment contract

For all Senior Executives with Strategic Responsibilities, payments and accruals as of the end of the relationship have been established in accordance with the law and the relevant national labour contract. If the relative prerequisites are met, the same may adhere to agreements, defined at Group level, which provide for incentive-based termination of service, based on the provisions of art. 4 of Law 92 of 2012 (the so-called Fornero Law).

The effects of any termination of office or termination of employment on the rights granted under the 2022-2024 LTI Plan are described in the relevant Plan Regulation.

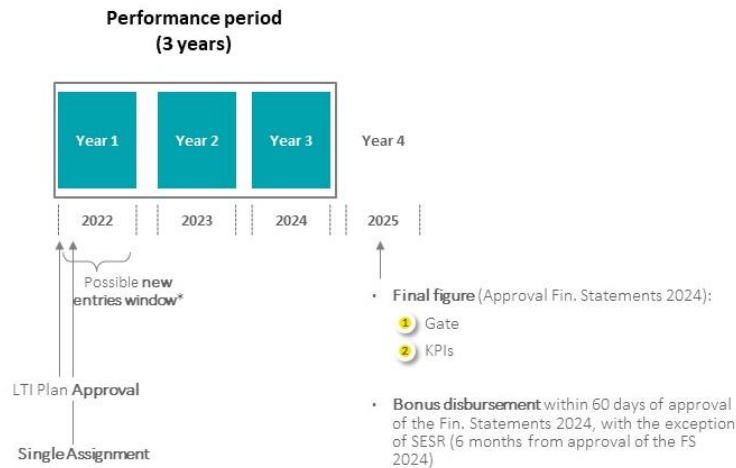
No non-competition agreements pursuant to art. 2125 of the Italian Civil Code have been established between IREN and the Senior Executives with Strategic Responsibilities.

#### 2022-2024 Long-term Variable Incentives

On 29 March 2022, IREN's Board of Directors approved the objectives and main elements of the Long-Term Monetary Incentive Plan for the three-year period 2022-2024.

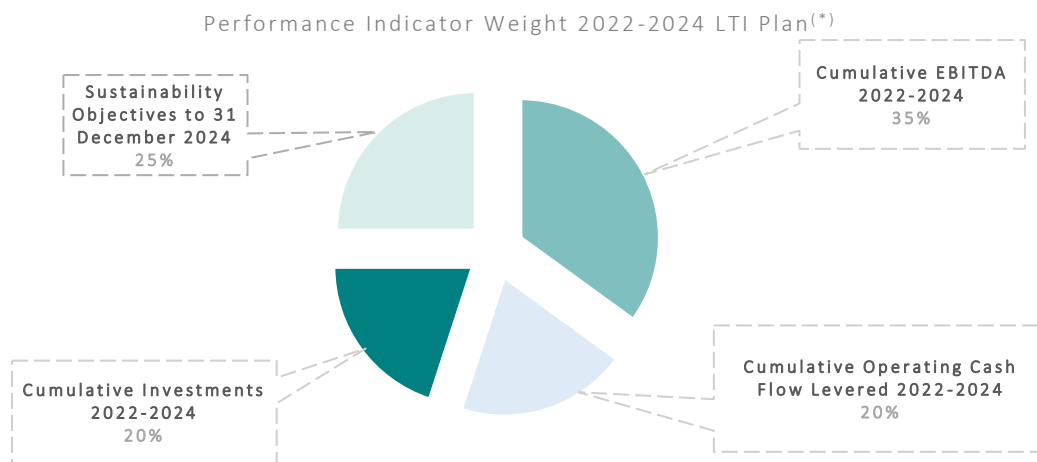
On 28 April 2022, after preliminary investigation by the Remuneration and Appointments Committee, the Board of Directors of IREN approved the contents of the Regulation on the operation of the 2022-2024 LTI Plan.

The 2022-2024 LTI Plan includes measurement of performance with reference to the period 2022-2024 (1 January 2022 to 31 December 2024), with performance indicators connected to the Group's 2021-2030 Business Plan for the three-year period of reference.



Specifically, disbursement of the premium is subordinate:

- to the meeting of a “gate” condition, namely maintenance, at the end of 2024, of an investment grade rating from one of the major ratings agencies at the level recognised in 2021;
- to the achievement of 4 (four) specific objectives<sup>11</sup>, independent of each other, identified in line with that established in the Group’s Business Plan (cumulative EBITDA 2022-2024; cumulative Operating Cash Flow Levered 2022-2024; cumulative investments 2022-2024; Sustainability - ESG targets).



<sup>(\*)</sup> The Company reserves the right to not provide the cumulative value of these parameters, as it considers this to be sensitive information. Note that when the Business Plan is presented, the Company will provide the market with information in regards to these parameters. Reference is made to the Press Release issued on 11 November 2021 ([https://www.gruppoiner.it/documents/21402/567230/ComunicatoStampa\\_BP%402030\\_ITA\\_def.pdf/8b5cdcd2-b7d3-4551-ae02-29b6e374b6c3](https://www.gruppoiner.it/documents/21402/567230/ComunicatoStampa_BP%402030_ITA_def.pdf/8b5cdcd2-b7d3-4551-ae02-29b6e374b6c3)).

The Sustainability - ESG objectives taken into consideration in the 2022-2024 LTI Plan, identified in agreement with IREN Corporate Social Responsibility and Local Committees Department among those approved by the Board of Directors of IREN as part of the Business Plan, concern:

- enhancement of gender diversity (% of women managers and middle managers out of total managers and middle managers);
- circular economy (sorted waste collection in the basin served - historical areas);
- water resources (water network losses);
- resilient cities (energy savings from Group products/services);
- decarbonization (scope 1 emissions - carbon intensity of energy production).

<sup>11</sup> For IREN Group Senior Executives with Strategic Responsibilities with constraints deriving from regulations regarding functional separation, specific performance indicators have been established, governed by the Regulations for the 2022-2024 LTI Plan.

For each economic-financial objective, a threshold level has been defined, equal to 90% of the target as defined, below which no disbursement of the linked premium will be made.

An overall threshold level has been defined for the cumulative Sustainability - ESG objective (5 specific indicators), equal to 70% of the defined target, below which no disbursement of the related bonus portion is envisaged.

The accrual of the premium is calculated on the basis of a linear function between minimum performance (threshold) and target performance, based on which the maximum premium is determined.

No recipient of the 2022-2024 LTI Plan, including IREN Group Senior Executives with Strategic Responsibilities will see rewarding of overachievement.

In line with as was already presented at the Shareholders' Meeting, the Beneficiaries of the 2022-2024 LTI Plan include:

- all the Directors vested with special offices of IREN S.p.A. (Executive Chairperson; Executive Deputy Chairperson; Chief Executive Officer);
- IREN Group Senior Executives with Strategic Responsibilities;
- the additional resources that have been specifically identified by the Chief Executive Officer of IREN S.p.A. within the Top Levels and the Resources with permanent employment contracts that can significantly contribute to achieving the objectives of the Business Plan, on the basis of organisational-management and business criteria, as well as in compliance with the regulations set forth in the TIUF.

With reference to the Group's Senior Executives with Strategic Responsibilities, including the CEO and General Manager of IREN, the target and maximum monetary incentive achievable at the end of the period (taking into account the definition of the time horizon of the 2022-2024 LTI Plan over a three-year period) is set at 100% of the individual Gross Annual Remuneration as at 1 January 2022, for the recipients already in force, or as at the date of subsequent eligible inclusion on the basis of the Regulations set out below, for the others, in the event of achievement of 100% of the Targets.

With regard to the positions of Executive Chairperson and Executive Deputy Chairperson, by resolution of 6 July 2022, the Board of Directors, in compliance with the provisions of the Shareholders' Meeting of 21 June 2022, established that the target and maximum monetary incentive achievable upon the achievement of the objectives set forth in the 2022-2024 LTI Plan is equal to approximately 33%, respectively calculated on an annual basis, for the Executive Chairperson, and 25%, calculated on an annual basis, for the Executive Deputy Chairperson of the total variable compensation paid to the Chief Executive Officer and General Manager, equal to 280,000 Euro gross, always to be understood as the value, calculated on an annual basis, attainable upon the achievement of objectives.

Also as part of the 2022-2024 LTI Plan, in continuity with the previous Plans and in line with the recommendations of the Corporate Governance Code, for Directors vested with special offices and Senior Executives with Strategic Responsibilities of IREN Group, a payment deferral term of 6 (six) months from the date of the Shareholders' Meeting which will approve the financial statements for the year 2024.

As in the past, the results achieved during the performance measurement periods will be monitored annually by the Remuneration and Appointments Committee and the Board of Directors.

The Regulation for the 2022-2024 LIT Plan for IREN Group Senior Executives with Strategic Responsibilities governs certain aspects, including:

- specific situations which may involve changes in the shareholding structure, corporate scope or methods of representing accounting information and their consequent impacts on the Plan;
- termination of employment relationship for one of the beneficiaries during the vesting period, differentiating between a "good leaver" (with the disbursement of the premium as accrued based on a *pro-rata temporis* criteria) and a "bad leaver" (eliminating the premium payable);
- malus and clawback clauses which allow the Company to request restitution, entirely or partially, of bonuses disbursed or to withhold sums not yet disbursed against the occurrence, within 3 (three) years of the end of the vesting period, or a longer time based on applicable law, of specific Trigger Events (fraudulent actions carried out by the beneficiary of the bonus; non-compliance with compliance

standards established in the Code of Ethics of IREN Group; grave violations of internal regulations or provisions ascertained by the relevant Company bodies or those of its subsidiaries; bonuses determined on the basis of information which is subsequently found to be erroneous, regardless of whether this erroneous assessment is due to the beneficiary).

If the existence of one of the Trigger Events is ascertained, with consequent assessment regarding the activation of the clauses, this is done by the relevant departments with regards to the subject and the various bodies responsible for the internal control and risk management system, which then make the necessary notifications to the relevant bodies within the Company or the subsidiaries, as soon as the information necessary is available. For the purposes of the assessment, the seriousness of the violations linked to the beneficiary will be assessed, as well as the amount of damage suffered and consequences deriving from a possible legal dispute.

With reference to the beneficiaries of the 2022-2024 LTI Plan classified as IREN Group Senior Executives with Strategic Responsibilities, the decision regarding activation of the clauses is left to the Company's Chief Executive Officer, after hearing from the Remuneration and Appointments Committee.

Also in line with the Corporate Governance Code of Listed Companies, the application of *malus* and clawback clauses has been confirmed for Directors holding special offices, in line with what has already been expressed with reference to IREN Group's Executives with Strategic Responsibilities, under the terms and conditions accurately regulated within the scope of a specific Addendum to the Plan Regulation, approved by the Board of Directors on 28 July 2022.

As regards the Chief Executive Officer and General Manager and, in general, also the other Executive Bodies of IREN:

- notifications regarding the possible occurrence of trigger events must be sent to the Company's Board of Directors;
- the decision regarding application of *malus* and clawback clauses is left to the Company's Board of Directors, after hearing from the RAC.

#### Future initiatives on medium-long term incentives

As already known, with resolution of 29 March 2022, the Board of Directors, after preliminary investigation by the Remuneration and Appointments Committee, also confirmed, for the entire duration of the Business Plan, the long-term incentive tool, as a sequential succession of closed, monetary plans, subject to Regulations to be reviewed at the beginning of each three-year period.

#### Reference to remuneration policies of other companies

Both determination of the architecture of the 2022-2024 LTI Plan and adoption of the 2023 Guidelines were preceded by specific remuneration benchmark and studies, in part with the support of highly specialised advisors (EY Advisory S.p.A.; Mercer Italia; Eric Salmon & Partners; The European House - Ambrosetti), involving panels of companies similar to IREN in terms of size and/or sector, listed in the following table.

Panel of companies for remuneration benchmarks

Subject of comparison	Advisor	Criteria	Peer Group
- 2018 - Long-Term Variable Incentive Systems	EY	Companies in the Energy & Utilities sector Companies belonging to the FTSE Italia Mid-Cap index with a capitalisation of +/- 30% compared to that of IREN	A2A, Acea, ACSM-AGAM, Alerion, Ascopiave, Enel, Eni, Erg, Hera, Italgas, Saipem, Saras, Terna. Ansaldo STS, ASTM, Autogrill, Brunello Cucinelli, De Longhi, Enav, Fincantieri, IMA, Interpump Group, Reply, SIAS, Technogym.
- 2019 - Remuneration position, IREN Chief Executive Officer and SESR	Mercer	Market: All Industry <i>Executive - MERG</i>	A2A, Acea, Enel Distribuzione, Enel Energia, Enel Green Power, Enel Servizio Elettrico, Enel Sole, Enel Trade, GE Italy Power and GE Italy Renewable Energy.
- 2020 - 2020 performance objectives	Eric Salmon & Partners	Panel of companies comparable to IREN based on size and/or business sector	A2A, Acea, ACSM, Alerion, Enel, Eni, Hera, Italgas, Saras, Saipem and Terna.

- 2020 - Positioning Remuneration NED	EY	Panel of companies comparable to IREN based on size and/or business sector	A2A, Acea, Amplifon, Ascopiave, ASTM, Brembo, Buzzi Unicem, Danieli & C., De' Longhi, Edison, ERG, Hera, IMA, Italgas, Maire Tecnimont and Terna.
- 2020 - Positioning Board of Statutory Auditors	EY	Panel of companies comparable to IREN based on size and/or business sector	A2A, Acea, Amplifon, ASTM, Autogrill, Brembo, Campari, Danieli & C., De Longhi, Edison, ERG, Gruppo Mediaset, Hera, Italgas, Maire Tecnimont, Moncler, Piaggio & C., Recordati, Saipem, Saras and Terna.
- 2021 - Positioning Remuneration NED and Committees	The European House - Ambrosetti	Panel of companies comparable to IREN in terms of size, shareholding structure and business proximity	A2A, Acea, Ascopiave, ASTM, Brembo, Brunello Cucinelli, ERG, Enav, Falck Renewables, Hera, IMA, Italgas, Leonardo, Mediaset, Reply, Saipem, Salvatore Ferragamo.
- 2022 - Positioning remuneration SESR	Mercer	Market: All Industry <i>Executive - MERG</i>	A2A, Acea, Enel Distribuzione, Enel Energia, Enel Green Power, Enel Servizio Elettrico, Enel Sole, Enel Trade, GE Italy Power and GE Italy Renewable Energy.

## Derogations to the remuneration policy

Also for 2023, on an exceptional and non-recurring basis, subject to the opinion of the Remuneration and Appointments Committee, specific temporary exceptions to the policy described above may be envisaged by the Board of Directors, with reference to what is reported in the paragraphs of this Section dedicated to the remuneration of the Chief Executive Officer and General Manager as well as of the Senior Executives with Strategic Responsibilities of IREN Group and without prejudice to the application of the discipline envisaged by the Procedure for Related Parties Transactions.

The derogating powers, which are in any event temporary and exceptional, may concern, for all the subjects to whom this policy is addressed, the size and the contractual form of the fixed and variable components in the event of changes in the current roles, the related delegated powers and/or employment relationships, the thresholds required for the payment of the remuneration components including variable components, the amount of the variable component due pursuant to the provisions described in the Remuneration Policies, as well as the payment or non-payment of the variable component regardless of the occurrence of the conditions for its disbursement and the anticipation or deferment of the disbursement dates of the variable component as well as the identification of any clauses connected to the termination of the mandate and/or employment relationship of key roles.

More specifically, in relation to extraordinary events, without prejudice to the fact that the objectives assigned at the beginning of the year cannot be modified, it might be appropriate to assess the introduction of corrective measures for short-term incentive pay in the event of major blocks to activities due to external events.

Note that “exceptional circumstances” means situations in which derogation from the present policy is necessary to pursue the long-term interests and sustainability of the Company as a whole or to ensure its ability to remain on the market. Exceptional circumstances may include, purely by way of example and without limitation, extraordinary transactions not previously planned (e.g. restructuring, reorganisation or reconversion), changes to the organisational, managerial and administrative structure of the company such as to have an impact on the economic and financial results, the turnover, due to unforeseen events, of the delegated bodies and the turnover/integration of Senior Executives with Strategic Responsibilities, with the consequent need to rapidly negotiate a remuneration package for their replacement, where the constraints contained in the approved policy should constitute a limit to the creation of value and the sustainability of the company in the long term.

Any recourse to the right of derogation will be however communicated to the market.

Finally, it should be noted that, during reorganisation and restructuring operations aimed at achieving the medium/long-term objectives set out in the 2023-2030 Business Plan, managers selected from the labour market may be hired using instruments designed to further improve the attractiveness of the company, such as, for example, any “entry bonuses” in partial compensation for other short-term variable remuneration already accrued by the manager, but which cannot be earned or recovered. The use of such

instruments would occur in situations where the hiring of the manager could not be postponed for contingent reasons and the recognition of the entry bonus would be: (i) feasible only in exceptional cases to avoid the loss of the opportunity to acquire managers capable of effectively implementing the ability to create value in the medium-long term; (ii) one-off and subject to the successful completion of the trial period.





Section two  
Compensation and  
other Information  
Relative to 2022

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The Shareholders' Meeting established, both for the previous mandate and for the current mandate, a maximum total limit for fixed compensation of members of the Board of Directors with special offices under the By-laws, setting it at 247,000.00 Euro gross annually.

For the three Directors with powers (Chairperson, Deputy Chairperson and Chief Executive Officer), the benefit of a company car is provided, as well as insurance coverage as directors, in addition to the usual benefits established for executives.

#### **Executive Chairperson**

With reference to the Chairperson of the IREN Board of Directors in office until 21 June 2022, additional gross annual remuneration established for the powers granted in compliance with the By-laws was determined by the IREN Board of Directors on 04 June 2019, based on a proposal from the RAC, after hearing from the Board of Statutory Auditors.

Up to the date of leaving office, the same enjoyed the following non-monetary benefits: a car for mixed use, specific accident insurance coverage (professional component), company insurance coverage for professional third-party liability (D&O policy), as a member of the Board of Directors and health plan.

No variable component of compensation has been provided for the Chairperson of the Board of Directors in office until 21 June 2022.

With reference to the Chairperson of the IREN Board of Directors in office since 21 June 2022, the supplementary gross annual fixed and long-term variable remuneration for the powers conferred in accordance with the By-laws was determined by the IREN Board of Directors on 06 July 2022, based on a proposal from the RAC, after hearing from the Board of Statutory Auditors.

As mentioned above, in execution of the provisions of the Shareholders' Meeting, the Executive Chairperson in office as of 21 June 2022 is among the beneficiaries of the 2022-2024 LTI Plan, with recognition of a target and maximum monetary incentive, calculated on an annual basis, equal to about 33% of the total variable compensation paid to the Chief Executive Officer and General Manager (the latter amounting to about 280,000 Euro gross) to be paid in the event the assigned targets are achieved and subject to the achievement of the targets in accordance with the Plan Regulation and Addendum.

There are no short-term variable incentive components for the current Executive Chairperson.

Since the date of appointment, the same enjoyed the following non-monetary benefits: a car for mixed use, specific accident insurance coverage (professional component), company insurance coverage for professional third-party liability (D&O policy), as a member of the Board of Directors and health plan.

#### **Executive Deputy Chairperson**

With reference to the Deputy Chairperson (in office during the previous term of office and confirmed for the 2022-2024 term of office as well), the fixed gross annual remuneration and, for the 2022-2024 term of office, long-term variable remuneration for the powers delegated in accordance with the By-laws was established by the Board of Directors of IREN S.p.A. on 4 June 2019 (for the 2019-2021 term of office) and on 6 July 2022 (for the 2022-2024 term of office), upon the proposal of the RAC, after consulting the Board of Statutory Auditors.

As mentioned above, in execution of the provisions of the Shareholders' Meeting, the Executive Deputy Chairperson is among the beneficiaries of the 2022-2024 LTI Plan, with recognition of a target and maximum monetary incentive, calculated on an annual basis, equal to 25% of the total variable compensation paid to the Chief Executive Officer and General Manager (the latter amounting to about 280,000 Euro gross) to be paid in the event the assigned targets are achieved and subject to the achievement of the targets in accordance with the Plan Regulation and Addendum.

There are no short-term variable incentive components for the current Executive Deputy Chairperson.

During the course of 2022, the Deputy Chairperson in office was provided with specific insurance coverage for injuries (professional component) as well as corporate insurance coverage relative to civil liability with regards to third parties (D&O Policy).

In 2022, the same also benefited from a mixed-use car.

#### **Chief Executive Officer and General Manager**

With reference to the Chief Executive Officer and General Manager of IREN (in office in the previous mandate, from 29 May 2021, and confirmed for the position also for the 2022-2024 mandate), the economic-contractual conditions provided for the fixed-term employment relationship with the Company,

approved by the Board of Directors at the meeting held on the same date, with the prior approval of the RAC, also pursuant to the regulations on related party transactions, were applied.

Actual Pay-mix  
for the Chief Executive Officer and General Manager on an annual basis  
- financial year 2022



More specifically, the fixed component of the remuneration of the Chief Executive Officer and General Manager of IREN includes, in addition to the emolument envisaged pursuant to art. 2389, paragraph 3, Italian Civil Code equal to 57,000 Euro for the office of Chief Executive Officer of the Company, a Gross Annual Remuneration of 400,000 Euro, replacing any different remuneration treatment provided for by any collective source of regulation of the employment relationship and an equal Gross Annual Remuneration, in the target value, approximately 35% of the Gross Annual Salary.

The performance goals for 2022 for Mr. Armani were awarded by the Board of Directors on 29 March 2022. On 04 April 2023, after a study by the RAC, the Board of Directors verified the achievement of the 2022 objectives by the IREN Chief Executive Officer and General Manager in office.

The annual incentive for the CEO and General Manager of IREN for the financial year 2022 accrues on the basis of a positive assessment of the achievement - to the extent of 91.37% - of the objectives set for that year, taking into account the Group's corrective factor.

More specifically, against an overall achievement of the objectives equal to 87.86%, the Committee and the Board of Directors acknowledged the occurrence of the conditions for the activation of the corrective factor of the individual results linked to the achievement of the EBITDA and OCF Levered values.

These bonuses will not be disbursed until 3 (three) months after the date on which the final calculations were made by the relevant bodies.

Summary of the % achievement of short-term objectives for 2022 assigned to the current CEO and General Manager of IREN, taking into account the final figures shown below.

KPIs	Weight	% achieved	Trend
Group net capital expenditure - realisation of investments established (Final figure 2022 equal to 876.94) within target costs (cap max +3%)	20%	91.5%	↘
IFN/EBITDA of the Group - achievement of the established target (Final figure 2022 equal to 3.17x)	20%	100%	→
Group Strategic Projects - weighted average of the results of the individual projects assigned <sup>12</sup>	30%	89.2%	↘

<sup>12</sup> The Group strategic projects referred to in the objective were related to: (i) Renewable pipeline development (MW); (ii) Organic Plan (% coverage) PPP School Buildings (project submission); (iv) Service quality improvement (KPIs related to RD, Environment Complaints, SAIFI and SAIDI, SII M2 Interruptions, Adequate Gas Network, Churn rate reduction, customer relationship improvement). All of these projects and/or KPI include specific targets for the year, which have been evaluated for the purpose of this objective.

ESG objectives - achievement of targets for sustainability indicators assigned for 2022 [5 indicators]<sup>13</sup>

30%

76%



Below target

At target

Above target

Finally, as known, in execution of what was established by the Shareholders' Meeting, the Chief Executive Officer and General Manager is among the beneficiaries of the 2022-2024 LTI Plan, with recognition of a target and maximum monetary incentive achievable at the end of the period (taking into account the definition of the time horizon of the 2022-2024 LTI Plan over a three-year period) set equal to 100% of the Gross Annual Remuneration.

During 2022, in line with company policies and practices, the IREN Chief Executive Officer and General Manager *pro tempore* in office was granted, as non-monetary benefits, a company car, the use of leased housing, executive injury insurance for IREN Group (professional and non-professional components), IREN Group executive life insurance (death and permanent disability) and civil liability coverage as the head of household, as well as company insurance coverage for professional civil liability towards third parties (D&O Policy), as a member of the Board of Directors. In addition to the above, the Chief Executive Officer and General Manager *pro tempore* in office was also paid a specific amount by way of welfare.

### Senior Executives with Strategic Responsibilities

During 2022, 8 persons held the position of Senior Executive with Strategic Responsibilities of the Group (Directors of the Business Units; Director of Administration, Finance and Control; Director of Personnel and Organisation; Director of Technologies and Information Systems; Director of Procurement, Logistics and Services).

Below are the remuneration packages implemented during 2022 for these individuals, in aggregate form. With reference to the remuneration package for Group Senior Executives with Strategic Responsibilities, in 2022 this consisted of Gross Annual Salary as well as short-term variable remuneration established (at an average) at approximately 26.5% of the aforementioned fixed remuneration.

Taking into account the transfer requirement, the (fixed and variable) compensation established for taking on the position of Director with powers for Companies in the Group, or in relation to strategic organisational positions held within the Group was recognised as an *ad hoc* item included in remuneration for the employee relationship.

The annual individual incentive for Group Senior Executives with Strategic Responsibilities relative to 2022 will be paid after a positive assessment, by the Company's Chief Executive Officer and General Manager, after a study by the RAC, at the meeting on 30 March, with regards to the achievement of the objectives determined for the same year for that category of individuals in the amount, on average, of 91.97%.

Also for IREN Group's Senior Executives with Strategic Responsibilities, the Committee acknowledged the occurrence of the conditions for the activation of the corrective factor of the individual results linked to the achievement of the EBITDA and OCF Levered values of the Group (and of the Networks Business Unit - as regards the individuals who hold the role of Independent Operators) as per the Remuneration Policy Guidelines for the reference financial year, against an individual result of the objectives equal, on average, to 88.08%.

Also for these individuals, payment of the bonuses will not occur until 3 (three) months after the date on which the final calculations were made by the relevant bodies.

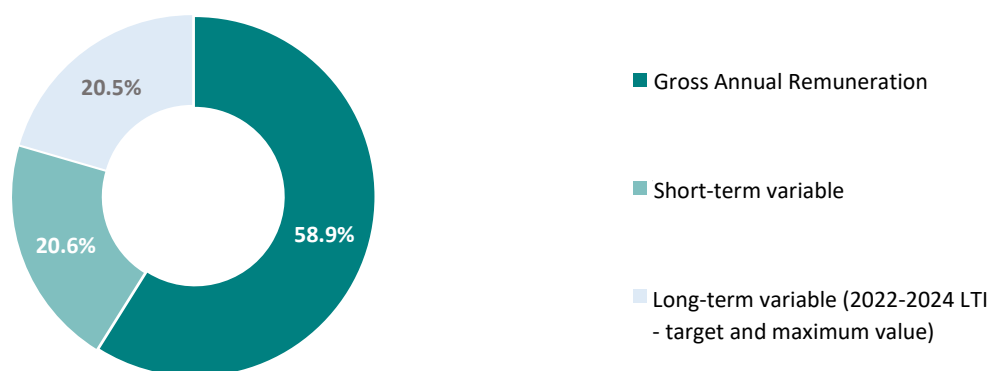
Finally, as known, in execution of what was established by the Shareholders' Meeting, all the Senior Executives with Strategic Responsibilities of the Group are among the beneficiaries of the 2022-2024 LTI Plan, with recognition of a target and maximum monetary incentive achievable at the end of the period (taking into account the definition of the time horizon of the 2022-2024 LTI Plan over a three-year period) equal to 100% of the individual Gross Annual Salaries in the event of achievement of 100% of the Targets.

<sup>13</sup> The sustainability/ESG indicators referred to in the objective are as follows: (i) Renewable power installed (MW) (Final figure 2022 equal to 763 MW; at target) (ii) Gender diversity (% women on total employees - annual average figures) (Final figure 2022 equal to 25.8%; at target); (iii) Increase in sorted waste collection (% historical areas) (Final figure 2022 equal to 70%; below target); (iv) Reduction in water losses (%) (Final figure 2022 equal to 31.2%; at target); (v) Improvement in Group injury trend (incidence rate) (Final figure 2022 equal to 47.4; at target).

The performance of the above indicators is dealt with in detail in the Sustainability Report 2022 (Consolidated non-financial statement pursuant to Legislative Decree 254/2016) - approved by the Board of Directors and made available, within the terms of the law, to the Shareholders' Meeting and the market - and was the subject of the assessment for the purposes of the objective under review.

Non-monetary fringe benefits also included the mixed use of a car, accident insurance for Group executives and, in one case, the use of rented accommodation, life insurance for IREN Group executives (in the event of death and permanent disability), and insurance cover for professional third-party liability (D&O policy), coverage of the civil liability of the head of the household, as well as participation in the welfare plan envisaged for all managers, with an increase in the specific amount, in a total compensation logic.

*Actual Pay-mix*  
IREN Group Senior Executives with Strategic Responsibilities  
on an annual basis - financial year 2022



#### *Malus and Claw-back*

During 2022, no *ex-post* correction mechanisms for the variable component were activated in respect of IREN's Chief Executive Officer and General Manager and other IREN Group Senior Executives with Strategic Responsibilities.

#### **Severance indemnities for end of office or termination of employment**

During 2022 no end of office and/or termination of employment indemnities were resolved and/or disbursed relative to Directors of IREN and Senior Executives with Strategic Responsibilities of IREN Group.

#### **Compensation policy waivers approved in 2022**

During 2022, no exceptions to the remuneration policy approved by the Shareholders' Meeting of 21 June 2022 were applied.

## Part Two – Compensation due for 2022

The tables below indicate by name compensation for the IREN Directors and Auditors and, in aggregate, compensation for IREN Group Senior Executives with Strategic Responsibilities.

All individuals are included who during the course of 2022 served, even for a fraction of the period, as a member of the IREN administration or control body or as an IREN Group Senior Executives with Strategic Responsibilities.

An indication is also provided of compensation received from subsidiaries and/or associate companies, either in the note or in the table.

**Table 1. Total compensation due to members of the Board of Directors, Board of Statutory Auditors and to Senior Executives with Strategic Responsibilities during the reference periods**

(gross amounts in thousands of Euro, rounded up)

Name and surname	Office	Period in which office was held	Expiration of office	Fixed remuneration <sup>14</sup>	Remuneration for participation in committees <sup>15</sup>	Bonuses and other incentives <sup>16</sup>	Non-monetary benefits <sup>17</sup>	Other remuneration <sup>18</sup>	Total annual remuneration approved	End-of-office or termination benefits <sup>19</sup>
<b>DIRECTORS IN OFFICE AT 31 December 2022</b>										
Luca Dal Fabbro	Executive Chairperson	21/06-31/12/2022	Appr. FS 2024	120.5	-	-	1.4	-	121.9	-
Gianni Vittorio Armani	Chief Executive Officer and General Manager	01/01-31/12/2022	Appr. FS 2024	457	-	127.9	5.6	-	590.5	-
Moris Ferretti	Executive Deputy Chairperson	01/01-31/12/2022	Appr. FS 2024	136.6	-	-	3.7	-	140.3	-
Francesca Culasso	Director	21/06-31/12/2022	Appr. FS 2024	22.6	9.5	-	-	-	32.1	-
Enrica Maria Ghia	Director	01/01-31/12/2022	Appr. FS 2024	26.6	7.4	-	-	-	34	-
Pietro Paolo Giampellegrini	Director	01/01-31/12/2022	Appr. FS 2024	76.6	12.2	-	-	-	88.8	-
Francesca Grasselli	Director	01/01-31/12/2022	Appr. FS 2024	26.6	8	-	-	-	34.6	-
Cristiano Lavaggi	Director	01/01-31/12/2022	Appr. FS 2024	40.2	8	-	-	-	48.2	-
Giacomo Malmesi	Director	01/01-31/12/2022	Appr. FS 2024	57.2	13.2	-	-	-	70.4	-
Giuliana Mattiazzo	Director	21/06-31/12/2022	Appr. FS 2024	38.2	5.3	-	-	-	43.5	-
Gianluca Micconi	Director	01/01-31/12/2022	Appr. FS 2024	31.6	5.3	-	-	-	36.9	-
Tiziana Merlino	Director	01/01-31/12/2022	Appr. FS 2024	31.6	5.3	-	-	-	36.9	-
Patrizia Paglia	Director	21/06-31/12/2022	Appr. FS 2024	22.6	5.3	-	-	-	27.9	-
Cristina Repetto	Director	21/06-31/12/2022	Appr. FS 2024	22.6	5.3	-	-	-	27.9	-
Licia Soncini	Director	01/01-31/12/2022	Appr. FS 2024	26.6	13.1	-	-	-	39.7	-
<b>DIRECTORS TERMINATED DURING THE YEAR 2022</b>										
Renato Boero	Executive Chairperson	01/01-21/06/2022	Appr. FS 2021	149.1	-	-	1.7	-	150.8	-
Sonia Maria Margherita Cantoni	Director	01/01-21/06/2022	Appr. FS 2021	19	2.7	-	-	-	21.7	-
Alessandro Giglio	Director	01/01-21/06/2022	Appr. FS 2021	19	2.7	-	-	-	21.7	-
Maurizio Irrera	Director	01/01-21/06/2022	Appr. FS 2021	39	2.7	-	-	-	41.7	-
Ginevra Virginia Lombardi	Director	01/01-21/06/2022	Appr. FS 2021	27	2.7	-	-	-	29.7	-
<b>Total compensation due to Board of Directors</b>				<b>1,390.2</b>	<b>108.7</b>	<b>127.9</b>	<b>12.4</b>	<b>-</b>	<b>1,639.2</b>	<b>-</b>
<b>AUDITORS IN OFFICE AT 31 December 2022</b>										
Michele Rutigliano	Chairperson	01/01-31/12/2022	Appr. FS 2023	78.2	-	-	-	-	78.2	-
Ugo Ballerini	Standing Auditor	01/01-31/12/2022	Appr. FS 2023	30	-	-	-	-	30	-
Simone Caprari	Standing Auditor	01/01-31/12/2022	Appr. FS 2023	74.8	-	-	-	-	74.8	-
Cristina Chiantia	Standing Auditor	01/01-31/12/2022	Appr. FS 2023	55.1	-	-	-	-	55.1	-
Sonia Ferrero	Standing Auditor	01/01-31/12/2022	Appr. FS 2023	65	-	-	-	-	65	-
<b>Total compensation due to Board of Statutory Auditors</b>				<b>303.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>303.1</b>	<b>-</b>
<b>SENIOR EXECUTIVES WITH STRATEGIC RESPONSIBILITIES<sup>20</sup></b>										
<b>Total compensation for Senior Executives with Strategic Responsibilities</b>				<b>1,530</b>	<b>-</b>	<b>534.7</b>	<b>16.9</b>	<b>135</b>	<b>2,216.6</b>	<b>-</b>
of which in IREN				1,530	-	534.7	16.9	135	2,216.6	-
of which in subsidiaries/associated companies				-	-	-	-	-	-	-

<sup>14</sup> The fixed compensation indicated here include: (i) payments resolved by the Shareholders' Meeting accruing during the year, even if not yet paid; (ii) attendance payments; (iii) lump sum expense reimbursement; (iv) compensation received for holding special offices, pursuant to art. 2389, paragraph 3, Italian Civil Code; (v) fixed remuneration from employee relationships gross of social security and tax charges applying to the employee, excluding obligatory collective social security charges under the responsibility of the company and post-employment benefits withholdings (TFR), detailed herein in Table 2, indicating in the notes the compensation paid through subsidiaries and/or associated companies.

<sup>15</sup> See Table 3 below for an indication of the Committees of which the Director is a member, as well as the fees, on an accruals basis, due for taking part in them during the reference periods.

<sup>16</sup> The column "Bonuses and other incentives" includes the portions of remuneration theoretically accrued (vested), even if not yet paid, during the year for i) objectives achieved during the year, against cash incentive plans; ii) long-term incentive (portion accrued during the year) that will be paid in 2025 (within 6 months from the approval of the financial statements for FY 2024 by the Shareholders' Meeting) upon achievement of 100% of the target of the established objectives, having complied with all the conditions set out in the Plan Regulation. This value corresponds to the sum of the amounts indicated in Table 4 (columns 2 (A), 3 (B) and 4), to which the reader is referred.

<sup>17</sup> The amounts of fringe benefits is indicated here, including any insurance policies (based on a criteria of taxability). Non-monetary benefits refer to insurance coverage stipulated by the Company in favour of the individual, the conventional value of the car used by the individual and any leasing of housing, for the reference period (1). As they are not taxable, the amounts for life, IP and extra-professional injury insurance collectively stipulated for the Chief Executive Officer and the SESR are not included (estimated at 19,012 Euro) (2) and those for company Welfare (35,536 Euro total) (3); additionally, for SESR, taxable amounts for company cars (26,700 Euro approximately) (4) are eliminated through the corresponding amount withheld from the pay cheque based on Group policy.

<sup>18</sup> The "Other remuneration" column includes "entry bonuses" recognised at the time of recruitment, subject to passing the probationary period, if they are instrumental in avoiding the loss of the opportunity to acquire managers capable of effectively implementing the ability to create value in the medium to long term.

<sup>19</sup> Indemnities accrued in favour of directors due to end of office during the financial year in question are indicated, even if not yet paid, with reference to the financial year in course during which the effective termination of the position occurred. The estimated value of any payment of non-monetary benefits is also indicated, as well as the amount of any consulting contracts and indemnities relative to non-competition agreements. The amount of compensation for non-competition commitments shall be reported only once at the time of termination of office, specifying in the first part of the second section of the report the duration of the non-competition commitment and the date of actual payment.

<sup>20</sup> The figure is provided with reference to 8 individuals who served, in 2022, as IREN Group Senior Executives with Strategic Responsibilities, excluding the Company's Chief Executive Officer and General Manager. All Senior Executives with Strategic Responsibilities are employees of IREN.

Table 2. Breakdown of fixed compensation due to members of the Board of Directors and Board of Statutory Auditors during the reference periods<sup>21</sup>

(gross amounts in thousands of Euro, rounded up)

Name and Surname	Position Held	Period in which office was held	Expiration of office	BREAKDOWN OF FIXED COMPENSATION					Total fixed compensation
				Fees approved by the Shareholders' Meeting	Attendance fee	Fixed fee for office	Flat-rate expense reimbursements	Fixed remuneration from employment	
DIRECTORS IN OFFICE AT 31 December 2022									
Luca Dal Fabbro	Executive Chairperson	21/06-31/12/2022	Appr. FS 2024	22.2 <sup>22</sup>	-	98.3 <sup>23</sup>	-	-	120.5
Gianni Vittorio Armani	Chief Executive Officer and General Manager	01/01-31/12/2022	Appr. FS 2024	(26.7)	-	57 <sup>24</sup>	-	400	457
Moris Ferretti	Executive Deputy Chairperson	01/01-31/12/2022	Appr. FS 2024	46.6 <sup>25</sup>	-	90 <sup>26</sup>	-	-	136.6
Francesca Culasso	Director	21/06-31/12/2022	Appr. FS 2024	22.6 <sup>27</sup>	-	-	-	-	22.6
Enrica Maria Ghia	Director	01/01-31/12/2022	Appr. FS 2024	26.6	-	-	-	-	26.6
Pietro Paolo Giampellegrini	Director	01/01-31/12/2022	Appr. FS 2024	41.6 <sup>28</sup>	-	35 <sup>29</sup>	-	-	76.6
Francesca Grasselli	Director	01/01-31/12/2022	Appr. FS 2024	26.6	-	-	-	-	26.6
Cristiano Lavaggi	Director	01/01-31/12/2022	Appr. FS 2024	30 <sup>30</sup>	-	10.2 <sup>31</sup>	-	-	40.2
Giacomo Malmesi	Director	01/01-31/12/2022	Appr. FS 2024	41.6 <sup>32</sup>	-	15.6 <sup>33</sup>	-	-	57.2
Giuliana Mattiazzo	Director	21/06-31/12/2022	Appr. FS 2024	22.6 <sup>34</sup>	-	15.6 <sup>35</sup>	-	-	38.2
Gianluca Micconi	Director	01/01-31/12/2022	Appr. FS 2024	31.6 <sup>36</sup>	-	-	-	-	31.6
Tiziana Merlino	Director	01/01-31/12/2022	Appr. FS 2024	31.6 <sup>37</sup>	-	-	-	-	31.6
Patrizia Paglia	Director	21/06-31/12/2022	Appr. FS 2024	22.6 <sup>38</sup>	-	-	-	-	22.6
Cristina Repetto	Director	21/06-31/12/2022	Appr. FS 2024	22.6 <sup>39</sup>	-	-	-	-	22.6
Licia Soncini	Director	01/01-31/12/2022	Appr. FS 2024	26.6	-	-	-	-	26.6
DIRECTORS TERMINATED DURING THE YEAR 2022									
Renato Boero	Executive Chairperson	01/01-21/06/2022	Appr. FS 2021	25.8 <sup>40</sup>	-	123.3 <sup>41</sup>	-	-	149.1
Sonia Maria Margherita Cantoni	Director	01/01-21/06/2022	Appr. FS 2021	19 <sup>42</sup>	-	-	-	-	19
Alessandro Giglio	Director	01/01-21/06/2022	Appr. FS 2021	19 <sup>43</sup>	-	-	-	-	19
Maurizio Irrera	Director	01/01-21/06/2022	Appr. FS 2021	24 <sup>44</sup>	-	15 <sup>45</sup>	-	-	39
Ginevra Virginia Lombardi	Director	01/01-21/06/2022	Appr. FS 2021	27 <sup>46</sup>	-	-	-	-	27
<b>Total fixed compensation, Board of Directors</b>				<b>530.2</b>	<b>-</b>	<b>460</b>	<b>-</b>	<b>400</b>	<b>1,390.2</b>
AUDITORS IN OFFICE AT 31 December 2022									
Michele Rutigliano	Chairperson	01/01-31/12/2022	Appr. FS 2023	78.2 <sup>47</sup>	-	-	-	-	78.2
Ugo Ballerini	Standing Auditor	01/01-31/12/2022	Appr. FS 2023	30	-	-	-	-	30
Simone Caprari	Standing Auditor	01/01-31/12/2022	Appr. FS 2023	74.8 <sup>48</sup>	-	-	-	-	74.8

<sup>21</sup> Compensation not received on the basis of the principle of comprehensive remuneration through the employee relationship is shown in parentheses.

<sup>22</sup> Includes the remuneration due as Director of IREN from 21 June 2022 (30,000 Euro gross per year), as well as of AMIAT V. S.p.A. from 1 August 2022 (5,000 Euro gross per year) and of IREN Smart Solutions S.p.A. from 29 July 2022 (10,000 Euro gross per year).

<sup>23</sup> Includes the remuneration due as Chairperson of IREN from 21 June 2022 (150,000 Euro gross per year), as well as of AMIAT V. S.p.A. from 1 August 2022 (15,000 Euro gross per year) and of IREN Smart Solutions S.p.A. from 29 July 2022 (30,000 Euro gross per year).

<sup>24</sup> Corresponds to the compensation due for the position of IREN Chief Executive Officer.

<sup>25</sup> Includes the remuneration due as Director of IREN (respectively 23,000 Euro in the 2019-2021 term of office and 30,000 Euro in the 2022-2024 term of office, in both cases gross per year), of IREN Energia S.p.A. (15,000 Euro gross per year) and of IREN Ambiente Toscana S.p.A. (5,000 Euro gross per year).

<sup>26</sup> Includes remuneration as Deputy Chairperson of IREN (40,000 Euro gross per year), Chairperson of IREN Energia S.p.A. (35,000 Euro gross per year) and Chairperson of IREN Ambiente Toscana S.p.A. (15,000 Euro gross per year).

<sup>27</sup> Includes compensation due for the office of Director of IREN as of 21 June 2022 (30,000 Euro gross per year) and of IREN Mercato S.p.A. as of 21 July 2022 (15,000 Euro gross per year).

<sup>28</sup> Includes the remuneration due as Director of IREN (respectively 23,000 Euro in the 2019-2021 term of office and 30,000 Euro in the 2022-2024 term of office, in both cases gross per year), and of IREN Mercato S.p.A. (15,000 Euro gross per year).

<sup>29</sup> Corresponds to the remuneration as Chairperson of IREN Mercato S.p.A. (35,000 Euro gross per year).

<sup>30</sup> Includes the remuneration due as Director of IREN (respectively 23,000 Euro in the 2019-2021 term of office and 30,000 Euro in the 2022-2024 term of office, in both cases gross per year), and of IREN Laboratori S.p.A. from 27 April 2022 (5,000 Euro gross per year).

<sup>31</sup> Corresponds to the remuneration due as Chairperson of IREN Laboratori S.p.A. from 27 April 2022 (15,000 Euro gross per year).

<sup>32</sup> Includes the remuneration due as Director of IREN (respectively 23,000 Euro in the 2019-2021 term of office and 30,000 Euro in the 2022-2024 term of office, in both cases gross per year), as well as of IREN Ambiente S.p.A. until 21 July 2022 (15,000 Euro gross per year) and of IRETI S.p.A. from 21 July 2022 (15,000 Euro gross per year).

<sup>33</sup> Corresponds to the remuneration due as Chairperson of IRETI S.p.A. from 21 July 2022 (35,000 Euro gross per year).

<sup>34</sup> Includes compensation due for the office of Director of IREN as of 21 June 2022 (30,000 Euro gross per year) and of IREN Ambiente S.p.A. as of 21 July 2022 (15,000 Euro gross per year).

<sup>35</sup> Corresponds to the remuneration due as Chairperson of IREN Ambiente S.p.A. from 21 July 2022 (35,000 Euro gross per year).

<sup>36</sup> Includes the remuneration due as Director of IREN (respectively 23,000 Euro in the 2019-2021 term of office and 30,000 Euro in the 2022-2024 term of office, in both cases gross per year), and of Futura S.p.A. (5,000 Euro gross per year).

<sup>37</sup> Includes the remuneration due as Director of IREN (respectively 23,000 Euro in the 2019-2021 term of office and 30,000 Euro in the 2022-2024 term of office, in both cases gross per year), and of TB S.p.A. (5,000 Euro gross per year).

<sup>38</sup> Includes compensation due for the office of Director of IREN as of 21 June 2022 (30,000 Euro gross per year) and of IRETI S.p.A. as of 21 July 2022 (15,000 Euro gross per year).

<sup>39</sup> Includes compensation due for the office of Director of IREN as of 21 June 2022 (30,000 Euro gross per year) and of IREN Energia S.p.A. as of 21 July 2022 (15,000 Euro gross per year).

<sup>40</sup> Includes remuneration due as Director of IREN until 21 June 2022 (23,000 Euro gross per year), and Scarlino Energia S.p.A. (5,000 Euro gross per year), Nord Ovest Servizi S.p.A. (3,000 Euro gross per year, effective as of 1 January 2022), IREN Green Generation s.r.l. as of 16 February 2022 (5,000 Euro gross per year) and Manduriambiente S.p.A. as of 20 June 2022 (5,000 Euro gross per year).

<sup>41</sup> Includes remuneration as Chairperson of IREN until 21 June 2022 (150,000 Euro gross per year), and Scarlino Energia S.p.A. (15,000 Euro gross per year), Nord Ovest Servizi S.p.A. (17,000 Euro gross per year, effective as of 1 January 2022), IREN Green Generation s.r.l. as of 16 February 2022 (15,000 Euro gross per year) and Manduriambiente S.p.A. as of 20 June 2022 (15,000 Euro gross per year).

<sup>42</sup> Includes remuneration due for the office of Director of IREN until 21 June 2022 (23,000 Euro gross per year) and of IRETI S.p.A. until 21 July 2022 (15,000 Euro gross per year).

<sup>43</sup> Includes remuneration due for the office of Director of IREN until 21 June 2022 (23,000 Euro gross per year) and of IREN Energia S.p.A. until 21 July 2022 (15,000 Euro gross per year).

<sup>44</sup> Includes remuneration due for the office of Director of IREN until 21 June 2022 (23,000 Euro gross per year) and of IREN Mercato S.p.A. until 21 July 2022 (15,000 Euro gross per year) as well as of Bonifiche Servizi Ambientali s.r.l. (5,000 Euro gross per year).

<sup>45</sup> Corresponds to the remuneration due for the office of Chairperson of Bonifiche Servizi Ambientali s.r.l. (15,000 Euro gross per year).

<sup>46</sup> Includes remuneration due as Director of IREN until 21 June 2022 (23,000 Euro gross per year), and as Chairperson until 25 May 2022 and, subsequently, from 15 June 2022, member of the Supervisory Board of the associate ASA S.p.A. (26,000 Euro and 10,000 Euro gross per year).

<sup>47</sup> Includes the remuneration as Chairperson of the Board of Statutory Auditors of IREN (45,000 Euro gross per year), the remuneration as Standing Auditor of IRETI S.p.A. and, until 21 July 2022, of IREN Energia S.p.A. (20,000 Euro gross per year for each of the aforementioned appointments), as well as IRETI Gas S.p.A. from 15 September 2022 (7,500 Euro gross per year).

<sup>48</sup> Includes remuneration due for the office as Standing Auditor of IREN (30,000 Euro gross per year), and IREN Ambiente S.p.A. (20,000 Euro gross per year), IREN Acqua S.p.A. (15,000 Euro gross per year), of Valdarno Ambiente s.r.l. as of 26 April 2022 (7,000 Euro gross per year) as well as Sole Auditor of IREN Ambiente Parma s.r.l. (5,000 Euro gross per year).

Cristina Chiantia	Standing Auditor	01/01-31/12/2022	Appr. FS 2023	55.1 <sup>49</sup>	-	-	-	-	55.1
Sonia Ferrero	Standing Auditor	01/01-31/12/2022	Appr. FS 2023	65 <sup>50</sup>	-	-	-	-	65
Total fixed compensation, Board of Statutory Auditors				303.1	-	-	-	-	303.1
SENIOR EXECUTIVES WITH STRATEGIC RESPONSIBILITIES									
Total fixed compensation for Senior Executives with Strategic Responsibilities <sup>51</sup>				(114.4)	-	(119.1)	-	1,530	1,530
of which in IREN				-	-	-	-	1,530	1,530
of which in subsidiaries/associated companies				(114.4)	-	(119.1)	-	-	-

<sup>49</sup> Includes the remuneration due for the office of Statutory Auditor of IREN (30,000 Euro gross per year), as well as of IREN Mercato S.p.A. until 21 July 2022 (20,000 Euro gross per year), of AMIAT S.p.A. until 1 August 2022 (12,000 Euro gross per year), of San Germano S.p.A. until 26 April 2022 (7,500 Euro gross per year) and Valdarno Ambiente s.r.l. from 26 April 2022 (7,000 Euro gross per year).

<sup>50</sup> Includes the remuneration due for the office of Statutory Auditor of IREN (30,000 Euro gross per year), as well as of IREN Mercato S.p.A. from 21 July 2022 (20,000 Euro gross per year), of IREN Green Generation s.r.l from 16 February 2022 (10,000 Euro gross per year), of IREN Green Generation Tech s.r.l. from 16 February 2022 (5,000 Euro gross per year) and Siena Ambiente S.p.A. (12,953 Euro gross per year).

<sup>51</sup> The figure is provided with reference to 8 individuals who serve as IREN Group Senior Executives with Strategic Responsibilities, excluding IREN's Chief Executive Officer and General Manager.



**Table 3. Breakdown of compensation deriving from participation on internal Board committees due during the reference period**  
(gross amounts in thousands of Euro, rounded up)

Name and Surname	Position Held	Period in which office was held	Expiration of office	BREAKDOWN OF COMMITTEE PARTICIPATION			Fees per capita for committee participation
				Participation payments RAC	Participation payments CRSC	Participation payments RPTC	
DIRECTORS IN OFFICE AT 31 December 2022							
Luca Dal Fabbro	Executive Chairperson	21/06-31/12/2022	Appr. FS 2024	-	-	-	-
Gianni Vittorio Armani	Chief Executive Officer and General Manager	01/01-31/12/2022	Appr. FS 2024	-	-	-	-
Moris Ferretti	Executive Deputy Chairperson	01/01-31/12/2022	Appr. FS 2024	-	-	-	-
Francesca Culasso	Director	21/06-31/12/2022	Appr. FS 2024	-	9.5	-	9.5
Enrica Maria Ghia	Director	01/01-31/12/2022	Appr. FS 2024	-	7.4	-	7.4
Pietro Paolo Giampellegrini	Director	01/01-31/12/2022	Appr. FS 2024	12.2	-	-	12.2
Francesca Grasselli	Director	01/01-31/12/2022	Appr. FS 2024	2.7	-	5.3	8
Cristiano Lavaggi	Director	01/01-31/12/2022	Appr. FS 2024	5.3	2.7	-	8
Giacomo Malmesi	Director	01/01-31/12/2022	Appr. FS 2024	-	10.5	2.7	13.2
Giuliana Mattiazzo	Director	21/06-31/12/2022	Appr. FS 2024	-	-	5.3	5.3
Tiziana Merlino	Director	01/01-31/12/2022	Appr. FS 2024	-	5.3	-	5.3
Gianluca Micconi	Director	01/01-31/12/2022	Appr. FS 2024	5.3	-	-	5.3
Patrizia Paglia	Director	21/06-31/12/2022	Appr. FS 2024	5.3	-	-	5.3
Cristina Repetto	Director	21/06-31/12/2022	Appr. FS 2024	-	-	5.3	5.3
Licia Soncini	Director	01/01-31/12/2022	Appr. FS 2024	-	-	13.1	13.1
DIRECTORS TERMINATED DURING THE YEAR 2022							
Renato Boero	Executive Chairperson	01/01-21/06/2022	Appr. FS 2021	-	-	-	-
Sonia Maria Margherita Cantoni	Director	01/01-21/06/2022	Appr. FS 2021	-	2.7	-	2.7
Alessandro Giglio	Director	01/01-21/06/2022	Appr. FS 2021	-	-	2.7	2.7
Maurizio Irrera	Director	01/01-21/06/2022	Appr. FS 2021	2.7	-	-	2.7
Ginevra Virginia Lombardi	Director	01/01-21/06/2022	Appr. FS 2021	-	-	2.7	2.7
<b>Total</b>				<b>33.5</b>	<b>38.1</b>	<b>37.1</b>	<b>108.7</b>

Table 4. Monetary incentive plans for members of the administrative body and other Senior Executives with Strategic Responsibilities

(gross amounts in thousands of Euro, rounded up)

Name and Surname	Position Held	Plan	2. Yearly bonus			3. Bonus, previous years			4. Other bonuses
			(A) Payable/Paid <sup>52</sup>	(B) Deferred <sup>53</sup>	(C) Deferral period	(A) No longer payable	(B) Payable/Paid	(C) Still deferred	
<b>DIRECTORS IN OFFICE AT 31 December 2022</b>									
Luca Dal Fabbro	Executive Chairperson	2022-2024 Monetary Long-Term Incentive Plan (share pertaining to the year) (BoD of 28 April and 6 July 2022)	-	92	3 years	-	-	-	-
Gianni Vittorio Armani	Chief Executive Officer and General Manager	2022 Short-Term Variable Incentive Plan (BOD 29 March 2022)	127.9	-	-	-	-	-	-
		2022-2024 Monetary Long-Term Incentive Plan (share pertaining to the year) (BoD of 28 April and 6 July 2022)	-	133.6	3 years	-	-	-	-
Moris Ferretti	Executive Deputy Chairperson	2022-2024 Monetary Long-Term Incentive Plan (share pertaining to the year) (BoD of 28 April and 6 July 2022)	-	70	3 years	-	-	-	-
<b>SENIOR EXECUTIVES WITH STRATEGIC RESPONSIBILITIES<sup>54</sup></b>									
		2022 Short-Term Variable Incentive Plan	534.7	-	-	-	-	-	-
	of which in IREN		534.7	-	-	-	-	-	-
	of which in subsidiaries/associated companies		-	-	-	-	-	-	-
		2022-2024 Monetary Long-Term Incentive Plan (share pertaining to the year) (BOD 28 April 2022)	-	532	3 years	-	-	-	-
	of which in IREN		-	532	3 years	-	-	-	-
	of which in subsidiaries/associated companies		-	-	-	-	-	-	-

<sup>52</sup> "Column 2A" shows, with reference to the short-term Incentive Plan, the bonuses accruing during the year for objectives achieved during the year, payable after verification by the relevant bodies of effective achievement, with payment deferred 3 months after approval of the 2022 Financial Statements by the Shareholders' Meeting. The amount shown includes the amount resulting from the activation of the individual performance corrective factor related to the achievement of EBITDA and OCF Levered results.

<sup>53</sup> "Column 2B" shows the long-term incentive (portion accruing during the year) that will be disbursed in 2025 (6 months after approval of the financial statements for 2024 by the Shareholders' Meeting) against achievement of 100% of the objectives established, and complying with all the conditions set out in the Plan Regulation.

<sup>54</sup> The figure is provided with reference to 8 individuals who served as IREN Group Senior Executives with Strategic Responsibilities, excluding the Company's Chief Executive Officer and General Manager. All Senior Executives with Strategic Responsibilities are employees of IREN.

Table 5. Table of equity investments held by Directors, members of the Board of Statutory Auditors and Senior Executives with Strategic Responsibilities

Name and surname	Position held	Company	Shares held at 31 December 2021	Shares acquired	Shares sold	Shares held at end of 2022
DIRECTORS IN OFFICE AT 31 December 2022						
Luca Dal Fabbro	Executive Chairperson	-	-	-	-	-
Gianni Vittorio Armani	Chief Executive Officer and General Manager	-	-	-	-	-
Moris Ferretti	Executive Deputy Chairperson	-	-	-	-	-
Francesca Culasso	Director	-	-	-	-	-
Enrica Maria Ghia	Director	-	-	-	-	-
Pietro Paolo Giampellegrini	Director	-	-	-	-	-
Francesca Grasselli	Director	-	-	-	-	-
Cristiano Lavaggi	Director	-	-	-	-	-
Giacomo Malmesi	Director	-	-	-	-	-
Giuliana Mattiazzo	Director	-	-	-	-	-
Tiziana Merlini	Director	-	-	-	-	-
Gianluca Micconi	Director	-	-	-	-	-
Patrizia Paglia	Director	-	-	-	-	-
Cristina Repetto	Director	-	-	-	-	-
Licia Soncini	Director	-	-	-	-	-
DIRECTORS TERMINATED DURING THE YEAR 2022						
Renato Boero	Executive Chairperson	IREN	-	7,947 <sup>55</sup>	-	7,947
Sonia Maria Margherita Cantoni	Director	-	-	-	-	-
Alessandro Giglio	Director	-	-	-	-	-
Maurizio Irrera	Director	-	-	-	-	-
Ginevra Virginia Lombardi	Director	-	-	-	-	-
AUDITORS IN OFFICE AT 31 December 2022						
Michele Rutigliano	Chairperson	-	-	-	-	-
Ugo Ballerini	Standing Auditor	-	-	-	-	-
Simone Caprari	Standing Auditor	-	-	-	-	-
Cristina Chiantia	Standing Auditor	-	-	-	-	-
Sonia Ferrero	Standing Auditor	-	-	-	-	-
Fabrizio Riccardo Di Giusto	Alternate Auditor	-	-	-	-	-
Lucia Tacchino	Alternate Auditor	-	-	-	-	-
SENIOR EXECUTIVES WITH STRATEGIC RESPONSIBILITIES <sup>56</sup>		IREN	36,100	-	-	36,100

<sup>55</sup> Acquired following the termination of the mandate as Director and Chairperson of the Board of Directors of IREN.

<sup>56</sup> The figure is provided in cumulative form, as established in form 7-ter of the CONSOB Issuers' Regulation, with reference to 8 individuals who, in 2022, served as Senior Executives with Strategic Responsibilities for the Group. The Chief Executive Officer and General Manager of IREN is not included.

## Proposal for Resolution

Dear Shareholders,  
the Shareholders' Meeting is called to express, respectively:

- a binding vote on Section One of the Report on the 2023 Remuneration Policy, relative to the Company's policies on remuneration of the members of administrative bodies, of the control body (without prejudice to the provisions of art. 2402 of the Italian Civil Code) and of Senior Executives with Strategic Responsibilities for the year in course and on the procedures used to adopt and implement these policies;
- a consulting vote on Section Two of the Report with reference to compensation paid during 2022.

This Report was prepared in compliance with that indicated in the current provisions of the law and regulations and those found in the Corporate Governance Code to which IREN adheres.

If you agree with the content of the same, we propose:

- to express a favourable vote on Section One ("2023 Remuneration Policies") of the Report on the 2023 Remuneration Policy and on Compensation Paid in 2022, adopting the following resolution:  
*"The Shareholders' Meeting,*
  - *acknowledging the Report on the 2023 Remuneration Policy and on Compensation Paid in 2022, prepared by the Board of Directors, in application of both as established under art. 123-ter of Italian Legislative Decree 58/98, as amended, and the indications found in art. 84-quater introduced by CONSOB in the Issuers' Regulations with resolution 18049 of 23 December 2011, as amended;*
  - *in particular, "Section One" relating to the Company's 2023 remuneration policy of the members of the Board of Directors, the Board of Statutory Auditors and Senior Executives with Strategic Responsibilities and the procedures used for the adoption and implementation of this policy was examined, also with regard to temporary derogations due to exceptional circumstances;*
  - *having due regard for the Corporate Governance Code of Listed Companies, to which the Company subscribes;*

*resolves*

*to approve Section One ("2023 Remuneration Policies") of the Report on the 2023 Remuneration Policy and on Compensation Paid in 2022".*
- additionally, relative to Section Two ("Compensation Paid in 2022") of the Report on the 2023 Remuneration Policy and Compensation Paid in 2022, if you agree with the content, we propose you make a favourable consulting vote, adopting the following resolution:  
*"The Shareholders' Meeting,*
  - *acknowledging the Report on the 2023 Remuneration Policy and on Compensation Paid in 2022, prepared by the Board of Directors, in application of both as established under art. 123-ter of Italian Legislative Decree 58/98, as amended, and the indications found in art. 84-quater introduced by CONSOB in the Issuers' Regulations with resolution 18049 of 23 December 2011, as amended;*
  - *having examined "Section Two" in particular, which contains the information pursuant to paragraph 4 of art. 123-ter of Italian Legislative Decree 58/98, as amended;*
  - *having due regard for the Corporate Governance Code of Listed Companies, to which the Company subscribes;*

*resolves*

*to express a favourable opinion of "Section Two" ("Compensation Paid in 2022") of the Report on the 2023 Remuneration Policy and Compensation Paid in 2022".*

# Glossary

## **Executive Directors**

These are the Directors appointed to particular positions by the Board of Directors (Chairperson, Deputy Chairperson and Chief Executive Officer).

## **Non-executive Directors**

These are the Directors of IREN who have not been assigned special duties by the Board of Directors and who do not have management powers.

## **Independent Directors**

IREN Directors who meet the independence requirements set out in art. 148, paragraph 3 of the Consolidated Law on Finance and art. 2 of the Corporate Governance Code (according to the governance solutions adopted by the Company).

## **Benefits (or fringe benefits)**

This means the elements included in the non-monetary component of remuneration aimed at increasing the individual and family well-being of workers from an economic and social point of view. This category covers all provisions aimed at satisfying pension and welfare needs (supplementary pension, supplementary healthcare, insurance cover), but also perquisites, which consist of goods and services made available by IREN to its employees.

## **Malus and claw-back clauses**

Contractual clauses that allow the Company to demand the restitution, in whole or in part, of the bonuses paid out or to withhold sums not yet paid out on the occurrence of Trigger Events within a given period.

## **Corporate Governance code**

This is the Corporate Governance Code for Listed Companies (January 2020 edition) approved by the Corporate Governance Committee.

## **Remuneration and Appointments Committee (RAC)**

It is composed of three non-executive Directors, the majority of whom are independent (among whom the Chairperson is identified) and has a proposal and advisory function vis-à-vis the Board of Directors concerning the remuneration of Directors and Senior Executives with Strategic Responsibilities. More specifically, *inter alia*, the Committee submits the annual Remuneration Report to the Board for approval, makes proposals or expresses opinions on remuneration matters and, also pursuant to the RPT Procedure, is in charge of the preliminary investigation concerning transactions relating to the remuneration of Directors and Senior Executives with Strategic Responsibilities of the Group.

## **Senior Executives with Strategic Responsibilities**

According to IAS 24, they are *“those individuals who have the power and responsibility, directly or indirectly, for planning, directing and controlling the activities of the entity.”*

Apart from the Directors and Statutory Auditors of IREN, at the date of this Report, 8 individuals hold this position within IREN Group.

## **EBITDA (Earnings Before interest, tax, depreciation and amortisation)**

Indicator that measures the Company's profitability based on its ability to generate value through industrial operations (net of interest expense, taxes and depreciation and amortisation).

## **Cumulative EBITDA**

Trend in the EBITDA performance indicator measured as the sum of the official closing values of the individual years' financial statements for the entire duration of the 2022-2024 LTI Plan.

## **Gate**

Binding conditions introduced into the variable incentive systems in place for the Chief Executive Officer of IREN, the Executive Chairperson, Executive Deputy Chairperson and the Group's Senior Executives with Strategic Responsibilities, with the aim of strengthening the consistency of the performance requirements and alignment of conduct rewarded by the variable remuneration systems.

## **Group IFL Rating/FFO**

The ratio measures the coverage ratio of the Group's gross debt (IFL rating) to cash flows generated from operations (FFO).

## **NFD/EBITDA**

The ratio measures the coverage of financial debt by the operating margins created by the Company.

## **Short-term variable incentives**

This is the Short-Term Incentive Plan (MBO), which entitles the individuals involved to receive an annual cash bonus based on the results achieved, in the previous year, with respect to the defined objectives, subject to verification by the competent bodies and functions.

#### **Long-term variable incentives**

The Board of Directors approved the 2022-2024 LTI Monetary Plan. This Plan entitles participants to receive a monetary award to be disbursed, subject to verification of achievement, based on performance at the end of the vesting period (see Vesting).

#### **Indemnity for end of term (or office)**

Monetary amount payable to the Director upon termination of the relationship.

#### **Severance indemnity**

Monetary amount payable to the employee upon termination of employment as an executive.

#### **Investments**

Indicator measuring short and prospective growth, as well as management's operational and strategic capabilities. This represents the value allocated to the realisation/acquisition of tangible and intangible assets (Capex) and the execution of M&A transactions.

#### **Cumulated capex**

Trend in the Investment indicator measured as the sum of the official closing values of the individual years' annual financial statements for the entire duration of the 2022-2024 LTI Plan.

#### **Investment Grade**

Indicator of the reliability of stocks or other financial instruments. The investment grade is usually expressed in a rating by specific rating agencies.

It represents a "gate" condition in the short-term and long-term variable incentive systems of IREN's Chief Executive Officer, Executive Chairperson, Executive Deputy Chairperson and Senior Executives with Strategic Responsibilities.

#### **Guidelines for remuneration policy for Executive Directors and Group Senior Executives with Strategic Responsibilities**

This is the document that governs the policy followed by the Company with regard to the remuneration of the above-mentioned individuals during the reference years. It is adopted by the Board of Directors, after the Remuneration and Appointments Committee has been consulted, in compliance with the Corporate Governance Code and pursuant to and for the purposes of the RPT Procedure, as well as in preparation of this Report.

#### **Target level**

Level of target achievement that gives entitlement to 100% of the incentive.

#### **"K" corrective factor**

Multiplier or demultiplier of the percentage value achieved in the individual objectives section, in order to take into account and incentivise the creation of value by the Group with respect to the planned targets.

#### **All-inclusive remuneration**

This is the Principle, lastly confirmed by the Shareholders' Meeting of 22 May 2019, at the same time as the appointment of the Company's administrative body for the 2019-2021 term of office, which applies to all employees of the Group, pursuant to which all corporate positions held within companies/entities of the Group must be held without any additional compensation/payback of the same, as they are part of the duties.

With reference to the current composition of the administrative body, in the current term of office this principle applies to the Chief Executive Officer and General Manager.

#### **Operating Cash Flow levered (OCF)**

Indicator for measuring the generation of value for growth. This value is determined by adjusting EBITDA for taxes, financial income/expenses and changes in Net Working Capital.

#### **Cumulative Operating Cash Flow levered**

Performance of the Operating Cash Flow levered indicator measured as the sum of OCF levered based on the official closing values of the individual years' financial statements for the entire duration of the 2022-2024 LTI Plan.

#### **Transactions with Related Parties**

Transactions qualified as such pursuant to and for the effects of the Regulation containing provisions on related party transactions, adopted by Consob by Resolution no. 17221 of 12 March 2010 and subsequent amendments and additions.

#### **Pay Mix**

It is the percentage of fixed remuneration, short-term variable incentive and medium to long-term incentive paid at the target level.

#### **Actual Pay Mix**

This is the percentage of fixed remuneration, short-term variable incentive and medium/long-term incentive actually paid out after the objectives have been achieved.

#### **Remuneration policy**

The set of remuneration programs for fixed and variable remuneration implemented at company level in order to support the achievement of the strategic objectives.

**Issuers' Regulation**

CONSOB Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions, containing the rules for issuers of financial instruments.

**Variable remuneration**

Consists of the short-term variable incentive and the long-term incentive.

**Gross Annual Remuneration**

Includes all fixed annual remuneration, before taxes and social security contributions payable by the employee, and therefore not including annual bonuses, other bonuses, indemnities, fringe benefits, reimbursement of expenses or any other form of variable or occasional remuneration.

**Stakeholders**

All parties, individuals or organisations, actively involved in an economic initiative (project, company), whose interest is negatively or positively affected by the outcome of the execution, or performance, of the initiative and whose action or reaction in turn affects the stages or completion of a project or the fate of an organisation.

**Consolidated Law on Finance**

The Consolidated Law on Financial Intermediation is Legislative Decree 58 of 24 February 1998 (and subsequent amendments). The Consolidated Law on Finance introduced "principle-based" legislation on financial matters, which at the primary legislative level establishes only general guidelines, leaving the definition of detailed rules to the Supervisory Authorities (e.g. CONSOB).

**Threshold value**

It represents the minimum level to be reached below which no incentive is provided.

**Vesting period**

Period running between the assignment and completion of the ownership of the right to receive the reward.

## Analytical contents by topic

Issuers' Reg.	Information required	Page ref.
<b>SECTION ONE</b>		
A	The bodies or persons involved in the preparation, approval and possible revision of the remuneration policy, specifying their respective roles, as well as the bodies or persons responsible for the correct implementation of this policy.	pages 17-22
B	The possible involvement of a remuneration committee or other committee competent in the subject matter, describing its composition (with a distinction between non-executive and independent Directors), responsibilities and operating procedures, and any additional measures to avoid or manage conflicts of interest.	pages 18-22
C	How the company has taken into account the compensation and working conditions of its employees in the determination of the remuneration policy.	page 14
D	The names of any independent experts involved in the preparation of the Remuneration Policy.	page 22
E	The objectives pursued by the remuneration policy, the principles on which it is based, the duration and, in the event of a review, a description of the changes to the remuneration policy last submitted to the Meeting and how such review takes into account the votes and assessments expressed by Shareholders at that meeting or subsequently.	pages 22-24
F	A description of the policies regarding the fixed and variable components of remuneration, with particular regard to the indication of the relative proportion within the total remuneration and distinguishing between short and medium-long term variable components.	pages 26-34
G	The policy followed regarding non-monetary benefits.	pages 26; 28; 31
H	With reference to the variable components, a description of the financial and non- financial performance objectives, where appropriate taking into account criteria relating to corporate social responsibility, on the basis of which they are assigned, distinguishing between short and medium to long-term variable components, and information on the link between the change in results and the change in remuneration.	pages 26-28; 30-34;
I	the criteria used to assess the performance objectives underlying the granting of shares, options, other financial instruments or other variable components of remuneration, specifying the extent of the variable component to be paid according to the level of achievement of the objectives.	pages 26-28; 30-34;
J	Information aimed at highlighting the contribution of the remuneration policy, and in particular the policy on variable components of remuneration, at the company's strategy, the pursuit of long-term interests and the sustainability of the company.	pages 26-28; 30-34;
K	Vesting periods, deferred payment systems, if any, with an indication of the deferral periods and the criteria used to determine those periods and, if envisaged, the mechanisms for ex post correction of the variable component (malus or claw-back of variable remuneration).	pages 26-28; 30-34;
L	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.	-
M	The policy related to the treatments provided for in case of termination of office or employment, in accordance with the Issuers' Regulation.	pages 25; 28; 31
N	Information on the presence of any insurance coverage, social security or pension, other than mandatory ones.	pages 26; 28; 31
O (i)	The remuneration policy possibly followed with reference to independent Directors.	page 25
O (ii)	The remuneration policy possibly followed with reference to participation in Committees.	page 25
O (iii)	Any remuneration policy applied in relation to the performance of particular offices (chairperson, deputy chairperson, etc.).	pages 25-26
P	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.	pages 34-35
Q	The elements of the remuneration policy from which, in the presence of exceptional circumstances, it is possible to make exceptions and, without prejudice to the provisions of Regulation no. 17221 of 12 March 2010, any further procedural conditions under which the exception may be applied.	pages 35-36
2	With reference to the members of the control bodies, without prejudice to the provisions of art. 2402 of the Italian Civil Code, (...) any criteria for determining remuneration. If the outgoing control body, in view of the formulation by the Shareholders of proposals to the Shareholders' Meeting regarding the remuneration of the control body, has provided the company with detailed information on the quantification of the commitment required to carry out the appointment, (...) summary of such information.	page 25
<b>SECTION TWO</b>		
<b>PART ONE</b>		
1.1	An adequate, clear and comprehensible representation of each of the items making up remuneration, including treatments provided in the event of termination of office or termination of employment, is provided,	pages 38-42



highlighting their compliance with the relevant remuneration policy and how remuneration contributes to the long-term performance of the company.

With regard to the variable components, information is provided on how the performance objectives of the reference remuneration policy have been applied. In particular, (...) an indication is provided of the objectives achieved in comparison with those envisaged, without prejudice to the right of companies to omit such information where necessary to protect the confidentiality of commercially sensitive information or unpublished forecast data, stating the reasons for this. Moreover, indication is given of the proportion between fixed and variable remuneration within total remuneration, specifying the elements included in the calculation also by referring to the Tables contained in part two of this Section.

1.2	In case of allocation of indemnities and/or other benefits for termination of office or termination of employment during the year, companies indicate: <ul style="list-style-type: none"> <li>- the circumstance that justifies its accrual;</li> <li>- remuneration at the end of the term of office or termination of employment, distinguishing the part paid immediately from that which may be subject to deferment mechanisms and also distinguishing the components attributed by virtue of the office of Director from those relating to any employment relationships as well as the components for any non-competition commitments;</li> <li>- the possible presence of performance criteria to which the assignment of the indemnity is linked;</li> <li>- any effects of the termination of the relationship on the rights assigned under incentive plans based on financial instruments or to be paid in cash;</li> <li>- the possible existence of agreements that envisage the assignment or maintenance of non-monetary benefits in favour of persons who have ceased to hold office, or the stipulation of consultancy contracts for a period subsequent to the termination of the relationship, specifying the amount;</li> <li>- any other remuneration awarded for any reason and in any form;</li> <li>- the conformity of the indemnity and/or other benefits to the indications contained in the reference remuneration policy.</li> </ul>	page 42
1.3	Companies shall provide information on any exceptions to the remuneration policy applied in exceptional circumstances, indicating (for each of them): <ul style="list-style-type: none"> <li>- the specific items waived and the benchmark remuneration policy in which the waiver option was provided;</li> <li>- information on the nature of the exceptional circumstances, including an explanation of how the waiver is necessary for the purposes of pursuing the long-term interests and sustainability of the company as a whole or to ensure its ability to stay on the market;</li> <li>- information on the procedure followed and confirmation that this procedure complies with the conditions set out in the relevant remuneration policy;</li> <li>- information about the remuneration paid in such exceptional circumstances.</li> </ul>	page 42
1.4	Companies provide information on the possible application of <i>ex post</i> correction mechanisms of the variable component ( <i>malus</i> or claw-back of variable remuneration), indicating in summary the reasons, the amount subject to correction and the reference year of the remuneration subject to the measures.	page 42
1.5	Companies shall provide comparative information, for the last five years or the shorter period the company has been listed or the individuals have been in office, between the annual change: <ul style="list-style-type: none"> <li>- of the total remuneration of each of the persons for whom the information set forth in this section of the Report is provided by name;</li> <li>- of the company's results;</li> <li>- of the average gross annual remuneration, based on full-time employees, of employees other than the parties whose remuneration is represented by name in this section of the Report.</li> </ul>	page 14
1.6	The companies provide information on how they took into account the vote cast by the Shareholders' Meeting on section two of the previous year's Report.	pages 14-15
<b>PART TWO</b>		
1.2	The fees paid during the year for any reason and in any form by the company and its subsidiaries and associated companies are shown in detail.	pages 43-48



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