



**SHAREHOLDERS' MEETING ON 18 APRIL 2023 AND 20 APRIL 2023
REPORT BY THE BOARD OF DIRECTORS
ON ITEM 7 ON THE AGENDA**

“Appointment of the members of the Board of Directors”

Dear Shareholders,

As indicated in the call notice, please note that item 7 on the Agenda (as well as items 6, 8 and 9) of the Ordinary Shareholders' Meeting will be subject to discussion and resolution of the Shareholders only upon approval by the Shareholders' Meeting of the proposed resolution relating to item I on the Agenda of the Extraordinary Shareholders' Meeting concerning the amendment to Article 15 of the Articles of Association on the Company's administration.

Therefore, with reference to this amended provision of the Articles of Association, assuming the approval of item I on the Agenda in the extraordinary section, please note the following information.

The Shareholders' Meeting is called to appoint the new board of directors for the years 2023, 2024 and 2025, with the mandate of the directors in office expiring upon approval of the financial statements as at 31 December 2022.

The Board of Directors shall be appointed on the basis of the lists presented by the Shareholders (which, individually or together with other shareholders, represent at least 1 (one)% of the shares with voting rights in the Ordinary Shareholders' Meeting), from which the members of the Board shall be chosen according to the procedure and methods envisaged by Art. 15 of the amended Articles of Association, as proposed during the extraordinary session of the Shareholders' Meeting.

Lists must be deposited at least twenty-five days prior to the date of the Annual General Meeting on first call - in other words no later than Friday 24 March 2023 - with the Issuer by sending a certified e-mail to ademptionsocietari.corporate@pec.aceaspa.it.

Each list must be supplemented by: (i) detailed information on the personal and professional characteristics of the candidates; (ii) the declarations by the individual candidates accepting their candidature and attesting, under their own personal responsibility, the non-existence of reasons for ineligibility and incompatibility, and also the existence of the requirements of the applicable laws and eventual possession of the requirements of independence provided by the law, the applicable regulations and the Code of Corporate Governance; (iii) the identity of the Shareholders submitting the lists and the percentage of the capital owned overall.

Pursuant to the Articles of Association, gender balance must be ensured in the composition of the Board of Directors, as per Art. 147-ter, paragraph 1-ter, of Italian Legislative Decree 58/98 (CLF), as amended by Italian



Law 160/2019, according to which a quota equal to “*at least two fifths*” of the members of the Board of Directors is reserved for the less-represented gender.

It is therefore required that the Shareholders intending to submit a list must include an adequate number of candidates belonging to the less represented gender in their list, in order to enable the respect of the laws and regulations in force concerning gender equality. Lists containing three or more candidates must therefore include at least two-fifths of the candidates belonging to the less represented gender, rounding up to the nearest integer in the event of the resulting number being a fraction.

Should it not be possible to reach a composition of the Board of Directors which includes at least two- fifths of the members belonging to the less represented gender, the Annual General Meeting may adopt all necessary decisions in order to enable the respect of that provided by the laws and regulations in force and by the Articles of Association concerning gender equality.

In accordance with the recommendations of the Corporate Governance Code, the Board of Directors of Acea SpA, with reference to the positions held by the directors in other companies, has: (i) defined “other significant companies”, for the purposes of calculating the total in addition to other listed companies, to financial, banking or insurance companies, or those with shareholders’ equity exceeding €1 billion, (ii) established that:

- a) a non-executive Director should not hold the office of non-executive Director or Auditor in more than 6 (six) of the aforementioned companies;
- b) an executive director should not hold the office of non-executive Director of another issuer of which an Acea Director is an executive Director.

In this regard, in the absence of a specific limit envisaged for these figures, the aforesaid threshold of 6 positions, unless determined otherwise by the Board of Directors, should also be used as a reference for the limit on the number of posts held by executive directors.

Shareholders submitting a “minority list” are asked to submit a declaration with their list and the aforesaid documentation attesting to the absence or existence of liaison relationships, including indirect relationships, set out by Art. 147-ter, paragraph 3 of the CLF and Art. 144-quinquies of the Issuer Regulations, with the shareholder that holds a controlling interest or relative majority. Specifically, with regard to the eventual existence of liaison relationships, the Shareholders are requested to read and take into account the recommendations in CONSOB Communication DEM/9017893 of 26 February 2009.

It should also be recalled that, pursuant to the Articles of Association, candidates must be listed in progressive number equal to the number of positions vacant. Furthermore, in compliance with Art. 15 of the Articles of Association, in the version submitted for the approval of the Extraordinary Shareholders’ Meeting, each list must include at least four candidates who meet the independence requirements required by law. These



candidates should be identified individually and at least two of them placed not beyond the second and third positions on the list and at least another two of them not beyond the fifth and sixth positions on the list.

Also, when submitting their lists and subsequently appointing the directors, the Shareholders are required to take into account the Views of the outgoing Board of Directors, according to the recommendations of Recommendation 23 of the Corporate Governance Code, concerning the professional qualifications, experience, including managerial, and gender of the candidates, in relation to the size of the issuer, the complexity and specificity of the business sectors it operates in and the size of the Board of Directors. In this regard, the Views expressed by the Board of Directors in office has been made public on the website in the section "Shareholders' Meeting 2023" and is attached to this report.

As for the shareholders' meeting procedure for appointments using list voting, assuming the approval of the resolution related to the amendments to Article 15 of the Articles of Association set out by item I of the extraordinary section and referring to this provision for any additional detailed information, the Board of Directors shall be elected as follows:

- A. from the list that obtains the majority of votes (hereafter, for brevity, the "Majority List"), in the order in which they appear in the list, half plus one of the Directors to be appointed shall be taken, rounded, in case of fractional number, to the lower unit;
- B. without prejudice of the provisions of the Law and the dispositions in the Articles of Association as to the limits to relations with the Majority List, the remaining Directors shall be taken from the other lists. For this purpose, the votes obtained by each list shall be divided first by 1, then by 2, 4, 8, 16 and 32 according to the number of Directors to be elected. The resulting quotients shall be assigned to the candidates on those lists in the consecutive order assigned to the respective candidates. The quotients assigned in this manner to the candidates on the various lists shall be arranged into a single list in descending order. The elected candidates shall be those obtaining the highest quotients. If one or more candidate should obtain the same quotient, the elected candidate shall be that included in the list that has elected no Directors or has elected the least number of Directors. If no Director has been elected thus far from any of the lists concerned or if the same number of Directors has been elected from each list, the elected candidate shall be that obtaining the highest number of votes. In the event of a list indicating both an equal number of votes and equal quotients, the entire Shareholders' Meeting shall vote again and the elected candidate shall be that obtaining a simple majority of votes.

Lastly, it must be noted that, pursuant to art. 147-ter, paragraph 1-ter of the CLF, if the composition of the Board of Directors elected does not respect the aforementioned criterion of gender equality (in other words the presence of at least two-fifths of the directors belonging to the less represented gender), Consob shall have the power to warn the Company to take steps to ensure that this is respected within four months at most and, if this is not done, to apply a monetary administrative sanction ranging from 100,000 Euros to



1,000,000 Euros, setting another deadline of three months to fulfil. If this is still not done, then the entire Board of Directors shall step down from office.

You are reminded finally that each shareholder with the right to vote may vote only one list.

Dear Shareholders,

Please appoint the Board of Directors by voting for a list among those submitted and published in accordance with the provisions of the Articles of Association.

For the Board of Directors
The Chairperson
Barbara Marinali