

Report on the 2021
Remuneration Policy
and Compensation Paid in 2020

Approved by the Board of Directors on 07 April 2021

The Report is available in the "Investors – *Corporate Governance* – Meetings" and "Investors – *Corporate Governance* – Remuneration Policy" sections of the Company's *website* (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 2021 Remuneration Policy and on Compensation Paid in 2020 for the IREN Group, together with Directors Francesca Grasselli and Maurizio Irrera.

As occurred the previous year, based on your appreciation of the same, this Report begins with an Executive Summary, with the aim of confirming, maintaining and rendering stable the constructive “dialogue” we have established with all shareholders and, more generally, all stakeholders of the IREN Group.

The document consists of two Sections: i) Section One “2021 Remuneration Policy”, which describes the main guidelines in our approach to remuneration and incentive systems for 2021 and; ii) Section Two “Compensation and other Information Relative to 2020”, which provides details on compensation paid during the previous year.

The positive performance achieved by the Group in 2020 highlight the effectiveness of both the business model and the variable remuneration systems, even in the face of the uncertain economic environment characterised by the health crisis.

With the new 2020-2025 Business Plan, IREN confirms its growth strategy through a gradual increase in investments to expand some activities in new territories nationwide, strengthen its resilience, and become a leading operator in the energy and environmental transition.

The Remuneration and Appointments Committee's commitment is to formulate clear, practical and transparent remuneration policies that are a vital tool for achieving

strategic objectives and creating long-term value in the interests of all Shareholders.

The main changes listed in the 2021 Remuneration Report include:

- in general, regarding the structure of this Report, the alignment with the new rules outlined in the latest update to Consob Issuers' Regulations, along with the new Recommendations introduced as part of the revision of the Corporate Governance Code and the letter from the Chairman of the Italian Corporate Governance Committee;
- the increase in the weight of performance objectives linked to stakeholder relations and ESG parameters (now equal to 20%) in the individual short-term incentive schemes for 2021 for the IREN Chief Executive Officer and General Manager and IREN Group Senior Executives with Strategic Responsibilities;
- a more complete regulation of exceptional cases, in the occurrence of which the Board of Directors, having consulted the competent Committees, may consider availing itself of the right to make temporary exceptions to the remuneration policies described in the 2021 Guidelines and this Report;
- the strengthening of disclosure, especially concerning the financial and non-financial objectives of the incentive schemes, considers the analysis of the requests of the market, institutional investors and proxy advisors.

The Committee, after approval by the Board of Directors, presents the Report on the 2021 Remuneration Policy and Compensation Paid in 2020 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.

Confident in the faith you place in us, we thank you for the support and the time you dedicate to reading our Report, secure that you will appreciate it.

1 April 2021

Pietro Paolo Giampellegrini

Chairperson of the Remuneration and Appointments Committee

Introduction

Regulatory references, purposes and structure

This Report, approved by the Board of Directors of IREN S.p.A. (hereinafter referred to as "**IREN**" or the "**Company**") on 7 April 2021, based on the proposal by the Remuneration and Appointments Committee (hereinafter also referred to as the "**RAC**"), was defined in observance and application of current legal and regulatory requirements¹.

The Report illustrates, in a clear and understandable manner:

- in Section One², the Remuneration Policy adopted for 2021 by IREN for the remuneration of the Company's Directors and the IREN Group's Senior Executives with Strategic Responsibilities³ (hereafter, also "**SESR**") and, without prejudice to that established in article 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 2020;
- in Section Two, the compensation paid in 2020 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 article 6, letter f) of IREN's Related Party Transaction Procedure, most recently updated by the Company's Board of Directors on 30 May 2019 (hereafter, the "**RPT Procedure**").

In addition to incorporating the changes provided for in the latest update to the Consob Issuers' Regulations, it takes on, as general reference guidelines on remuneration policies, the principles and Recommendations expressed in Article 5 of the current Corporate Governance Code of Listed Companies approved by the Corporate Governance Committee in January 2020 and effective from 1 January 2021 (hereinafter also the "**Corporate Governance Code**" or "**Code**"), to which the Company applied on 18 December 2020.

The Report on the 2021 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 December 2020 from the Chairperson of the Italian Corporate Governance Committee.

Finally, the revision of Consob Regulation no. 11971 of 14 May 1999 implementing Legislative Decree no. 58 of 24 February 1998 on the regulation of issuers, with effect from 1 January 2021, was taken into account with Consob resolutions no. 21625 of 10 December 2020 and no. 21639 of 15 December 2020.

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 the Executive Directors and Statutory Auditors of IREN and for the

¹ Art.123-ter of Italian Legislative Decree no. 58/98 as amended (subsequent modifications and integrations) ("**Consolidated Finance Act**"), article 84-quarter of the Consob Issuers' Regulations adopted by resolution no. 11971/99 and subsequent amendments and additions. ("**Consob Issuers' Regulations**") and Annex 3A – Schedules 7-bis and 7-ter Consob Regulations, as amended by Consob by resolution No. 21623 of 11 December 2020 in order to transpose Directive (EU) 2017/828 on the encouragement of long-term shareholder engagement ("**SRD II**").

² Art. 123-ter, paragraph 3, lett. a) e b), Consolidated Finance Act.

³ The Chief Executive Officer of the Company identified (and indicated to the Remuneration and Appointments Committee) as IREN Group Senior Executives with Strategic Responsibilities the persons disclosed in accordance with Annex 1 to the Consob Regulation adopted by Resolution no. 17221 of March 2010. Responsibilities of the IREN Group have been identified by the Managing Director of the Company (and indicated to the Remuneration and Appointments Committee) as the persons disclosed in accordance with Annex 1 to the Consob Regulation adopted by Resolution no. 17221 of 12 March 2010, as amended, in the sense of IAS 24. More specifically, during FY 2020, with the exception of Directors (executive and non-executive) and Statutory Auditors, the Directors of the Energy, Market, Networks and Environment Business Units, the Director of Administration, Finance and Control and the Director of Personnel, Organisation and Director of Personnel, Organization and Information Systems.

Senior Executives with Strategic Responsibilities for the IREN Group in 2021 (“**Guidelines**” or “**2021 Guidelines**”).

The text of this Report is made available to the public at the company’s registered offices, on the Company's website⁴, 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 2020, and asked to 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.⁵

⁴ www.grupporenen.it, Investors - Corporate Governance - Meetings section.

⁵ Art. 123-ter, respectively paragraph 3-ter and paragraph 6, Consolidated Law on Finance.

Executive Summary

Executive Summary

Overview

2021 Remuneration Policy

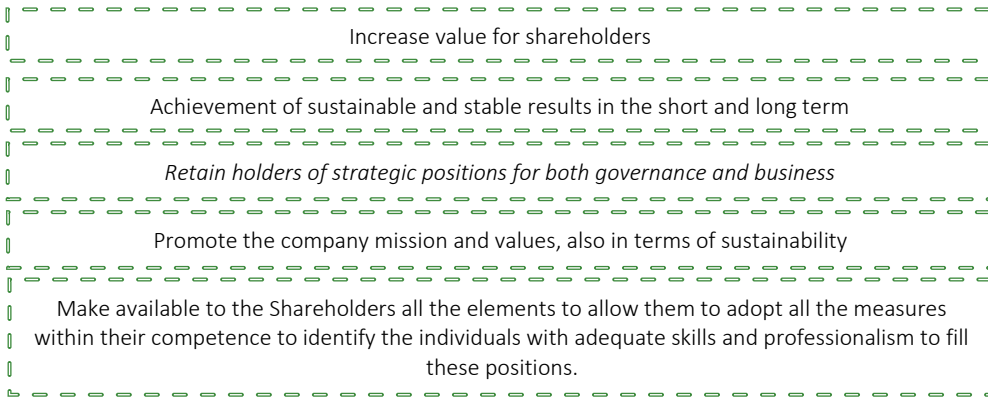
Component	Purpose and characteristics	Criteria and parameters	Recipients/Gross annual amounts
Fixed remuneration	Reflects technical, professional and managerial skills	Definition of the remuneration positioning assesses both the evolution of the organisation and market benchmarks carried out	IREN Chief Executive Officer/General Manager €329,000, of which: <ul style="list-style-type: none"> • €272,000 GAR • €57,000 for the position of CEO IREN Group Senior Executives with Strategic Responsibilities Remuneration determined on the basis of the complexity and responsibilities of the position held
Short Term Incentive Plan 2021	<ul style="list-style-type: none"> • Recognising and rewarding the achievement of assigned annual objectives • Target performance towards business goals <i>(Plan subject to malus and clawback clauses)</i>	Gate: maintain <i>Investment Grade</i> rating 2021 Objectives: IREN Chief Executive Officer/General Manager <ol style="list-style-type: none"> 1. Group IFL Rating/FFO (weight: 25%) 2. Group NFP/EBITDA (weight: 25%) 3. Group strategic projects (weight: 30%) IREN Group Senior Executives with Strategic Responsibilities <ol style="list-style-type: none"> 1. Economic/financial objectives (weight: 45%) 2. Group strategic projects or connected to individual Business Units (weight: 35%) 3. Relations with <i>stakeholders</i>, sustainability, environmental issues, <i>governance</i> (ESG) (weight: 20%) Assessment of Objectives <ul style="list-style-type: none"> - Average achievement threshold for objectives: ≥ 70% of the individual form Minimum threshold for individual objective: 60% (<i>target</i>=100%) - Correction factor: multiplier/demultiplier of individual results 	IREN Chief Executive Officer/General Manager 35% of GAR (<i>target</i> value) IREN Group Senior Executives with Strategic Responsibilities 37.1% of GAR (average <i>target</i> value)
Long-Term Incentive Plan 2019-2021	Promoting the creation of shareholder value with a view to long-term sustainability <i>(Plan subject to malus and clawback clauses)</i>	Gate: maintain <i>Investment Grade</i> rating Objective <ol style="list-style-type: none"> 1. Cumulative EBITDA 2019-2021 (weight: 50%) 2. 2019-2021 <i>Cumulative Operating Cash Flow Levered</i> (weight: 30%) 3. Cumulative Investments 2019-2021 (weight: 20%) Assessment of Objectives <ul style="list-style-type: none"> Minimum threshold for individual objective: 90% (defined target) - Compensation mechanism: <i>max</i> 20% - Sustainability correction: <i>maximum</i> 10% impact on <i>bonus</i> payable - Closed plan with three year vesting and 6 month deferral 	IREN Chief Executive Officer/General Manager 105% of GAR (<i>target</i> value over the three-year period) IREN Group Senior Executives with Strategic Responsibilities 75% of GAR (<i>target</i> value over the three-year period)
Non-monetary benefits	Promoting the loyalty of managerial 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: 22 monthly payments in case of non-renewal of the position; Specific discipline , with measures to protect the Company, in case of revocation legitimate cause , <i>at a time prior to</i> the end of the duties; No agreements pursuant to article 2125 of the Italian Civil Code signed.

Goals, principles and governance for the IREN Group Remuneration Policy

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, with attention also paid to aspects of corporate social responsibility.

The Group's remuneration policies for 2021 have been determined in order to guarantee the following goals:



Governance

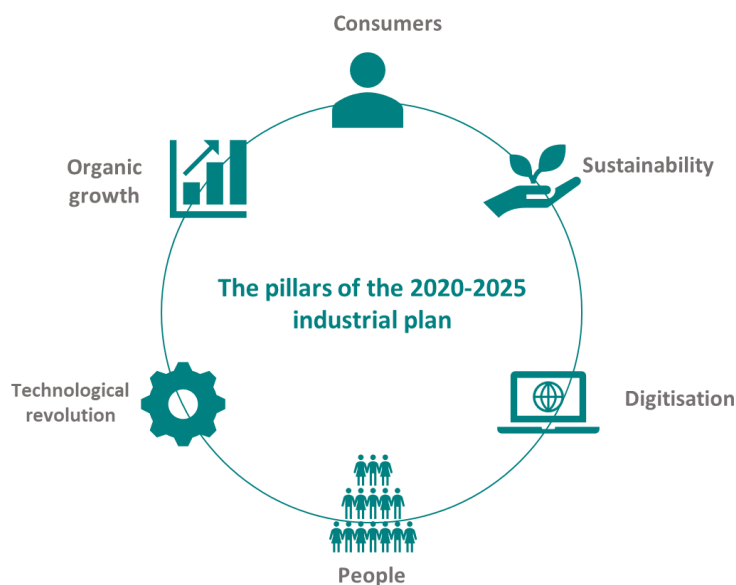
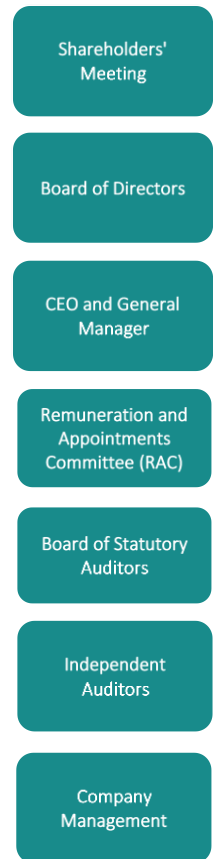
The IREN Group has established a governance process, which involves both the company bodies and parts of company management, in order to govern the activities used to define, implement and manage remuneration policies.

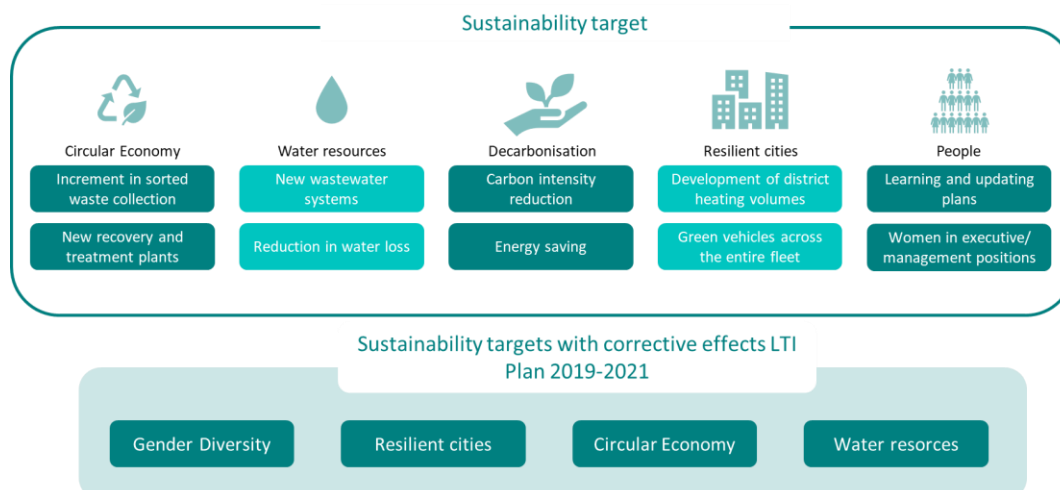
Correlation between strategy, sustainability and remuneration policies

The new Industrial Plan's growth strategy launched by IREN in 2020 is consistent with the leading trends already identified in previous industrial plans and confirmed in the current one to become a leading operator in sustainability by developing the "multi-circle economy".

In this context, IREN's remuneration policy represents an element of fundamental importance in ensuring the pursuit of business sustainability's strategic objectives and guaranteeing an increase in shareholder value in the medium to long term, in line with the 2020-2025 Business Plan.

Entities involved in the process





Actions taken by IREN for the COVID-19 emergency

Even though 2020 was characterised by events of an abrupt nature with unexpected effects on the entire economic system, IREN adopted initiatives aimed at guaranteeing maximum safety for the Group's human resources called upon to continue their activities in presence and the rapid implementation of smart working for over 2,900 employees, who were thus able to guarantee their work activities from a remote location, limiting the negative impact that such circumstances could have generated on their people.

In agreement with the trade unions, the Group introduced several initiatives to mitigate the inconvenience and support the segments of the Company's community most affected by the drop in business.

In light of the actions taken, the Group, therefore, decided to maintain a compensation policy for 2021, which substantially confirms that of the previous year.

2021 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:

Chief Executive Officer and General Manager ("CEO/GM")	Senior Executives with Strategic Responsibilities
	Environment Business Unit Director
	Energy Business Unit Director
	Market Business Unit Director
	Network Business Unit Director
	Director of Administration, Finance and Control
	Director of Personnel, Organisation and Information Systems
	Director of Procurement, Logistics and Services

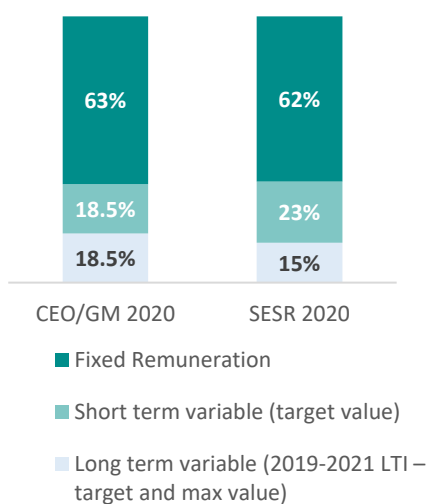
What the 2021 Remuneration Policy includes

Variable incentive plans with financial and non-financial 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.
 Power to deviate from the remuneration policy limited to "exceptional circumstances", meaning those situations in which the deviation is necessary to pursue the Company's long-term interests and sustainability.

What the 2021 Remuneration Policy does not

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 extraordinary forms of incentives for the Chief Executive Officer and General Manager.
 No benefits of excessive value.

Pay-Mix



The graph shows the overall pay-mix for the IREN Chief Executive Officer and General Manager and that for the IREN Group Senior Executives with Strategic Responsibilities on the basis of: (i) target bonuses established as part of the short-term incentive system, pursuant to the 2021 Guidelines and (ii) the annual portion of the bonus target included in the 2019-2021 Long Term Monetary Incentive Plan (hereafter, also "2019-2021 LTI Plan").

Fixed remuneration

With regards to **non-executive Directors**, fixed remuneration for the position was set at 23,000 Euro per year (in addition to reimbursement of expenses sustained for the position) by the Shareholders' Meeting on 22 May 2019, which appointed the administrative body for the three year period 2019-2021.

With regards to **Members of Board Committees** appointed for the three year period 2019-2021, 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, at €11,000 for the Chairperson and at €5,850 for each Committee member.

In line with the recommendations set out in the December 2020 letter from the Chairman of the Italian Corporate Governance Committee along with the Recommendation no. 29 of the Code, under which *"The policy for the remuneration of non-executive directors shall provide for remuneration commensurate with the competence, professionalism and commitment required by the duties assigned to them on the Board of Directors and Board committees; this remuneration is not linked, except for an insignificant part, to financial performance objectives"*, the Remuneration and Appointments Committee carried out a study - with the support of the independent advisor, The

European House – Ambrosetti, on the remuneration position of both the Non-Executive Directors of the Company and the members of the internal Board Committees. The outcome of this study – which was the subject of a specific report to the Board of Directors at the meeting held on 25 March 2021 – shows how:

- the compensation for the offices of non-executive director, Chairperson and Member of the Remuneration and Appointments Committee and the Control, Risk and Sustainability Committee are aligned around or below the first decile;
- the compensation as Chairperson and Member of the Committee for Transactions with Related Parties (in the companies examined in which there is an ad hoc Committee) is in line with the median;
- considering the hourly compensation based on the time spent in Board and Committee meetings (measured with reference to 2019), IREN consistently ranks below the first decile.

With regard to the **Board of Statutory Auditors**, whose term of office expires with the approval of the 2020 financial statements, the determination of the related compensation is left to the Shareholders' Meeting, which will renew the body for the three years 2021-2023.

In line with the recommendations set out in the December 2020 letter from the Chairman of the Italian Corporate Governance Committee as well as Recommendation no. 30 of the Code, according to which "The remuneration of the members of the control body shall be appropriate to the proficiency, professionalism and commitment required by the importance of the role covered and by the dimensional and sectorial characteristics of the company and its situation" and with the Rules of Conduct of the Board of Statutory Auditors of listed companies, the Company's Board of Statutory Auditors, with the support of a qualified advisor (E&Y), carried out a benchmark analysis of its remuneration position compared to the main comparables in terms of size and/or sector, the results of which were, among other things, brought to the attention of the Company's Board of Directors on 23 February 2021.

The analysis carried out revealed a very significant gap emerges between the remuneration approved by the Shareholders' Meeting in 2018 in favour of the Chair and the members of the outgoing Board of Statutory Auditors and the remuneration for similar offices provided for by the reference market.

In the light of the above, the Company's Board of Directors, at the meeting as mentioned above, noted that the Board of Statutory Auditors had submitted for consideration by the Shareholders' Meeting, which will soon be called upon to elect the new control body, the revision of the amount of the compensation of the Chairman and the members of the IREN Board of Statutory Auditors, to bring it into line with market levels, to make the remuneration policy of the Board of Statutory Auditors more consistent with the commitment required to perform the task and with the related responsibilities.

With regards to **Directors with special offices** (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 as well as for the 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. During 2019, the Company's Remuneration and Appointments Committee examined benchmark analysis carried out with the assistance of an advisor with reference to the remuneration for executive positions, which showed a general position for these individuals that was below the first market quartile, also with regards to fixed remuneration.

Taking the above into account, for the **IREN Chief Executive Officer and General Manager**, on 2 July 2019, after a study by the Remuneration and Appointments Committee, the company's Board of Directors, when examining the economic/contractual conditions for the new fixed-term executive employment relationship determined with the Company, with a term from 1 July 2019 to 30 June 2022, set the respective Gross Annual Salary at 272,000 Euro, replacing any other treatment of a remunerative nature established under any collective source for regulating the employment relationship.

Following the above, the weight of the fixed components in the remuneration of the IREN Chief Executive Officer and General Manager (including compensation for special offices pursuant to article 2389, paragraph 3, Italian Civil Code) accounts for 63% of total remuneration.

Also for IREN Group Senior Executives with Strategic Responsibilities, taking into account the results of the research done, as well as the invitation issued by the Company's Board of Directors in office until 22 May 2019, based on input from the Company and General Manager of IREN S.p.A. and following a study by the Company's Remuneration and Appointments Committee, a process was carried out to redetermine the fixed components of the respective remuneration, effective as of 1 January 2020, to at least partially recover the remuneration differential with respect to the first quartile, while still maintaining an appropriately challenging pay-mix. Following the actions above, as of

2020 the weight of fixed components within the individual remuneration of IREN Group Senior Executives with Strategic Responsibilities is equal, on average, to 62% of total remuneration.

Variable Remuneration

Among the members of the IREN Board of Directors, only the Company's Chief Executive Officer and General Manager is the recipient of incentive plans linked to the achievement of specific performance objectives, also of a non-economic nature. All individuals classifiable as IREN Group Senior Executives with Strategic Responsibilities are also beneficiaries of these plans.

For these individuals, the variable component in remuneration is intended to push employees to achieve short and medium/long-term objectives, recognising the value of individual and team contributions.

2021 Variable Incentives

In relation to the results of the benchmark analysis done with regards to the remuneration situation of the IREN S.p.A. Chief Executive Officer and General Manager, as well as for the IREN Group Senior Executives with Strategic Responsibilities, with the aim of improving the respective pay-mixes, at the time the 2021 Guidelines were approved, the **target incentive** was set at:

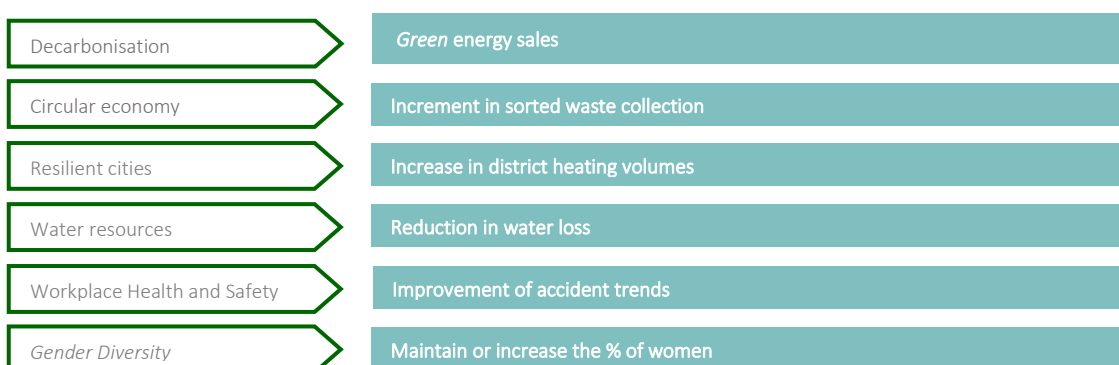
- 35% of Gross Annual Salary for the **IREN Chief Executive Officer and General Manager**;
- at 37.1% of Gross Annual Salary, on average, for **IREN Group Senior Executives with Strategic Responsibilities**.

In carrying out the study preparatory to defining the **Performance Indicators for 2021** and the relative **weights**, with the goal of implementing an incentive system as challenging as possible, while still complying with best and market practices, the IREN Remuneration and Appointments Committee took into account the results of the in-depth studies carried out in the previous year by the advisor Eric Salmon & Partners.

2021 short-term variable incentives for the Chief Executive Officer and General Manager
Performance Indicators, Weights and Measurement Methods

Key Performance Indicators	Weight	Measurement
Group IFL Rating/FFO (budget = target)	25%	Linear, with thresholds
Group NFP/EBITDA (budget = target)	25%	Linear, with thresholds
Group strategic projects	30%	Linear, with thresholds
Target on ESG objectives	20%	Linear, with thresholds

Also, for 2021, in line with the previous three-year period, as recommended by the IREN Board of Directors, confirmed by the best practices on the subject and also envisaged when examining and approving the 2019-2021 Long-Term Incentive Plan, objectives relating to relations with stakeholders, sustainability, environmental issues and governance (ESG) have also been maintained, assigning increasing weight to them, with a focus on:



The objectives relative to stakeholder relations and sustainability 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.

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. For all of these executives, one or more objectives relative to significant economic/financial items are included, over which the Executive has direct responsibility, as well as one or more objectives associated with integration or innovation projects (transversal or specific) and an objective regarding the relationship with stakeholders or ESG issues, with reference to:

Decarbonisation	Water resources
Reduction of the carbon intensity of energy production. Energy savings from Group products/services. Sale of <i>green energy</i> .	Reduce water loss.
Circular economy	Customer Care
Increment in sorted waste collection Increase volumes of recovered waste from Group plants. Production of biofuels from biodegradable waste.	Improve Customer Satisfaction indices for electricity/gas sales services. Customer development. Technical quality – reduction of power outage times. % gas network inspection.
Resilient cities	Attention to staff
Increase district heating volumes. Eco-vehicles out of the total company fleet.	Improvement of accident trends. Employee Training Increased dissemination of supplementary health care.
	Gender Diversity
	% <i>Gender Diversity</i> . % women out of total recruitment. % women executives and middle managers out of total executives and middle managers.

With the aim of making the short-term incentive system more challenging, in compliance with market requests and taking into account the results of the study done in the previous year with the support of the advisor, Eric Salmon & Partners, for 2021, both for the CEO/GM and for the Senior Executives with Strategic Responsibilities, a minimum overall average achievement threshold for the individual objectives of greater than or equal to 70% of the individual scorecard has been set, 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).

Again in 2021, for all beneficiaries a gate was confirmed, associated with maintaining an investment grade rating from all three major ratings agencies.

For 2021, a corrective factor for individual results (individual section) is maintained at the Group level to take into account and incentivise the creation of value by the Group with respect to planned targets. For the Networks Business Unit, in line with the provisions of the functional unbundling law for companies operating in the electricity and gas sectors, this will be at the level of the Business Unit.

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 determined before the fact.

Again in 2021, in line with what was recommended in Recommendation no. 27 letter (e) of the Code, contractual agreements have been maintained (malus and clawback clauses) which allow the company to request the full or partial restitution of variable components of remuneration which may be disbursed or already have been disbursed in the case certain conditions arise (hereafter, also “**Trigger Events**”) within 3 (three) years of the bonus maturation period.

In order to better guarantee verification of results achieved, again in 2021 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.

Concerning the use by the Board of Directors of the option to derogate from the remuneration policies for 2020 described in the Report submitted to the Shareholders' Meeting of 29 April 2020, the possibility has been provided for the payment, in 2022, of a bonus equal to 50% of the difference between the final percentage of actual achievement of the objectives in 2020 - see Section Two below - and the 100% target for the same year, subject to the entire achievement of the individual objectives assigned for the year 2021 as well as subject to prior assessment by the competent bodies.

Long-term variable remuneration

The 2019-2021 LTI Plan, approved by the Board of Directors on 27 November 2018 (and extended, with a resolution taken on 2 July 2019, to the IREN Chief Executive Officer and General Manager), provides for the establishment of a monetary bonus as a function of performance during the three year period 2019-2021.

The 2019-2021 LTI Plan was initially intended for the IREN Group's Senior Executives with Strategic Responsibilities and additional top-level resources capable of making a significant contribution to achieving the Business Plan objectives.

Following the new term for the Board, on 2 July 2019 the Board of Directors resolved the adherence of the Company's Chief Executive Officer and General Manager to the 2019-2021 Long-Term Monetary Incentive Plan, with bonus targets in effect as of 1 January 2019.

With reference to IREN's Chief Executive Officer and General Manager, the maximum monetary incentive achievable at the end of the period is equal to 105% of Gross Annual Salary, in the case that 100% of the targets are achieved. With reference to the Group's Senior Executives with Strategic Responsibilities, the maximum monetary incentive has been set at 75% of individual Gross Annual Salary (taking into account the definition of the time horizon of the 2019-2021 LTI Plan over a three year period).

Disbursement of the premium, with reference to the 2019-2021 LTI Plan, is subordinate to meeting a gate condition (attribution, at the end of 2021, of an Investment Grade rating by one of the three major ratings agencies - Fitch, Moody's, Standard & Poor's) and the achievement of the following objectives, identified in line with that established in the Business Plan.

2019-2021 LTI Plan - Performance Indicators, Weights and Measurement Methods

Key Performance Indicators	Weight	Measurement
Cumulative EBITDA 2019 – 2021	50%	Linear, with thresholds
Cumulative Operating Cash Flow Levered 2019-2021	30%	Linear, with thresholds
Cumulative Investments 2019-2021	20%	Linear, with thresholds

For all objectives a threshold of 90% of the defined target has been identified.

Additionally, the 2019-2021 LTI Plan establishes a compensation mechanism in the case of over performance solely for the cumulative Operating Cash Flow levered indicator, in favour of under-performance in the other two Indicators, up to a maximum of 20%.

Besides, a sustainability adjustment has been introduced that takes into account four indicators chosen from among those approved by the Board of Directors in the Business Plan: gender diversity (a composite indicator that includes i) % women out of total employees; ii) % women hired out of total recruitment; iii) % women senior executives and middle managers out of total senior executives and middle managers; iv) % women participants in training courses out of total participants), circular economy (recoverable waste treated in Group plants), water resources (leaks in aqueduct networks) and resilient cities (district heating volumes). The maximum impact of the sustainability corrective on the bonus distributable is 10%.

In relation to final calculation methods, the Guidelines establish that the maximum incentive will be paid if 100% of the strategic targets established for the 2019-2021 period are met, with payment deferred until six months after approval of the 2021 financial statements.

Under the 2019-2021 LTI Plan, *malus and claw-back* clauses apply, allowing the Company to demand the restitution, entirely or partially, of *bonuses* paid or to withhold sums not yet paid, upon the occurrence of *Trigger Events*.

Given that 2021 represents the last year of vesting of the 2019-2021 LTI Plan, the Board of Directors considers it appropriate to confirm the presence of a long-term incentive tool also for the following three-year period, to continue to make the remuneration package of the Group's key figures adequate and competitive and to ensure a balanced ratio between fixed and variable components in the Executives' pay-mix, as emerged from the results of the studies comparing remuneration levels conducted in the past and following the recent indications of the Code.

For these reasons, it is deemed necessary to start as early as 2021 the study of the new medium-long term incentive plan intended for Senior Executives with Strategic Responsibilities that do not hold corporate executive positions within IREN, as well as for Executive Directors.

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

At the time the new fixed term employment contract was negotiated with the IREN Chief Executive Officer and General Manager, it was established that, in the case of non-renewal of the position of Director or of the Duties, 22 monthly payments of global remuneration will be paid⁶, with the termination of the employment contract upon expiration of the contract.

In the case of revocation, without just cause, of the office of Director and/or Duties prior to the expiration of the office, disbursement of a voluntary redundancy amount is instead established (22 months, plus one month for every

⁶ Each total monthly payment will take into account the sum of one month of fixed remuneration and the monthly average of short-term remuneration disbursed in the three preceding years.

month with a termination date prior to the expiration of the fixed term contract, up to a maximum of an additional 6 months), with termination of the employment relationship within thirty days.

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.

For the above individuals, the effects of any termination of office or termination of employment on the rights granted under the 2019-2021 LTI Plan are described in the relevant Plan Rules.

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 clauses pursuant to article 2125 of the Italian Civil Code have not been established for the individuals cited above.

Other monetary bonuses

To increase retention of certain IREN Group Senior Executives with Strategic Responsibilities (with the exclusion of IREN's Chief Executive Officer and General Manager), subject to significant competitive pressure and, simultaneously, ensure the continuity of work provided within the Group over the medium term, the payment of a continuity bonus has been established.

This premium is paid through a onetime annual amount, less than 10% of the RAL per year and is added to the employee's fixed and variable remuneration (pursuant to the previous sections), subordinate to the employee's commitment to not terminate their employment relationship within a given date, defined a priori.

If the employment relationship is terminated prior to the established date, for reasons due to or attributable to the employee, they must return the amount of the continuity bonus received to the Company.

The continuity bonus has not been established for IREN's Chief Executive Officer and General Manager, and in 2021 will be used for only one Senior Executive with Strategic Responsibilities of the Group.

Non-monetary benefits

Non-monetary benefits, of which a large part established in the relevant National Collective Labour Contracts, 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

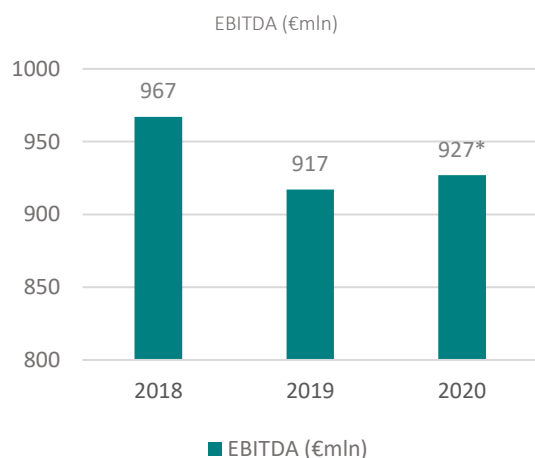


Figure 2 - IREN EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) 2018-2020.

* +10% compared to 2019.

In the same period, the CEO's total remuneration changed by 17%, an increase due to an adjustment of the remuneration package aimed at making it more consistent with the reference market, while for the other board members, it remained unchanged. In the same period, average gross annual remuneration, based on full-time employees and other than those whose pay is shown by name in this Report, did not undergo any significant changes; the Group should note that in the period considered, an essential generational change process took place for which numerous terminations were dealt through voluntary exit incentive plans and the workforce was re-established with the insertion of junior profiles.

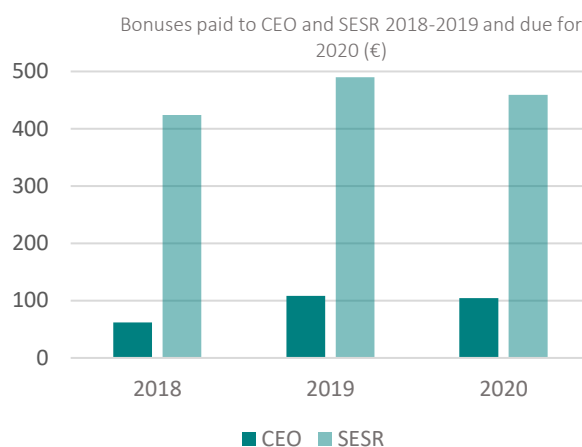
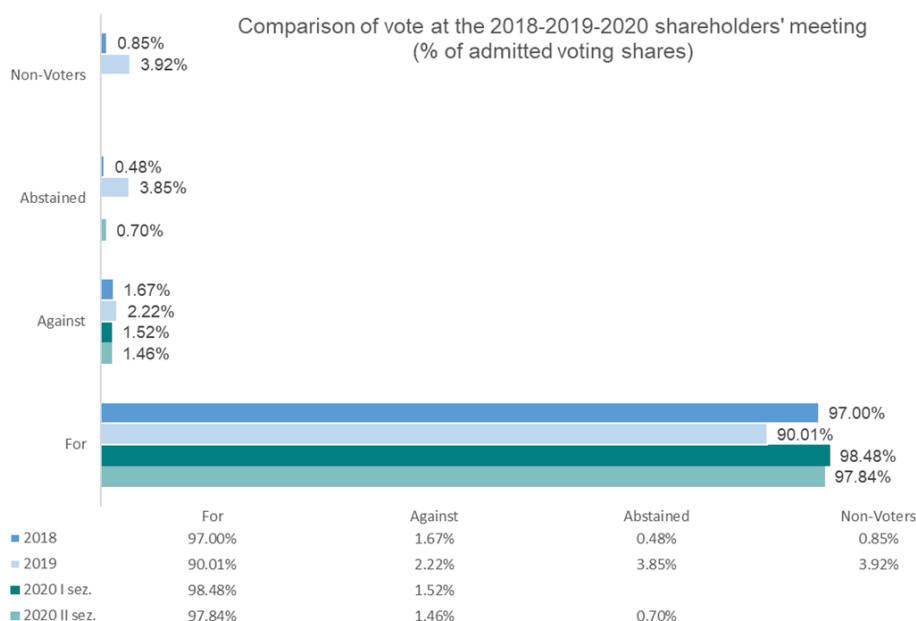


Figure 3 - MBO Bonus disbursed for years 2018 and 2019 and disburseable (after approval of the 2020 financial statements by the Shareholders' Meeting) for 2020 for the IREN CEO/GM and IREN Group Senior Executives with Strategic Responsibilities. For the latter, the figure considers the consensual termination of the employment relationship between a Senior Executive with Strategic Responsibilities and the Company occurred in 2020 by applying Article 4 of Law 92/2012, the so-called Fornero Law.

Result of Shareholders' Meeting Vote

The Shareholders' Meeting held on 29 April 2020 resolved in favour and bindingly on Section One of the Remuneration Report for 2020, with 98.48% of shares with voting rights in favour, an increase compared to the result in financial year 2019 (90% of shares with voting rights). For Section Two, relating to compensation paid in FY 2019, it cast an advisory vote, with a percentage of votes in favour equal to 97.84% of the eligible voting shares.

In any case, when developing the remuneration policy described in this Report, the Group took the results and reasons underlying the votes cast at the Shareholders' Meeting into account to incorporate the feedback received.



The graphs below show a comparison between IREN's results and the average of a selected peer group (composed of A2A, Hera, Acea, Acsm-Agam) concerning Sections One and Two of the Report. As can be seen, the appreciation on the 2020 Remuneration Policy Report and 2019 compensation paid were also confirmed by the analysis of the minority vote (95% favourable votes for Section One and 93% for Section Two).



* ACSM-AGAM was not considered since the free float, equal to 10%, was not present during the shareholders' meeting vote.

Section One
2021 Remuneration Policy

Section One – 2021 Remuneration Policy

The Company's governance structure (reference)⁷

The Board of Directors in office was appointed by the Shareholders' Meeting on 22 May 2019, and their term will expire with the approval of the financial statements for 2021.

The Board of Statutory Auditors in office was appointed by the Shareholders' Meeting on 19 April 2018, and their term will expire with the approval of the financial statements for 2020.

IREN's Board of Directors, at its meeting on 22 May 2019 and in compliance with article 25, paragraph 2 of the Articles of Association: (i) granted powers to the Chairperson (appointed on the same day by the Shareholders' Meeting); (ii) appointed and granted powers to the Deputy Chairperson and the Chief Executive Officer.

On 2 July 2019, the IREN Board of Directors appointed Massimiliano Bianco (already the Chief Executive Officer) as the Company's General Manager, granting him specific operating powers.

The Board of Directors, with resolutions made on 22 and 30 May 2019, appointed:

- the Control, Risk and Sustainability Committee (“CCRS”), made up of three non-executive directors, the majority of which are independent, one of which designated by the minority shareholders;
- the Remuneration and Appointments Committee (“RAC”), composed of three non-executive Directors, the majority of whom are independent;
- the Related Party Transactions Committee, composed of four non-executive and independent Directors, one of which designated by the minority shareholders (“RPTC”).

Bodies and individuals involved in the remuneration process

The main bodies and individuals involved in defining, managing and revising, if necessary, the remuneration for IREN Directors (also invested with special offices pursuant to article 2389, Italian Civil Code) as well IREN Group Senior Executives with Strategic Responsibilities, in line with the regulatory provisions and Articles of Association, 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 article 21 of the Articles of Association, the total maximum amount of remuneration for Directors with special offices under the Articles of Association, 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 Articles of Association (Chairperson, Deputy Chairperson and Chief Executive Officer), pursuant to article 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 targets linked to the short-term annual variable component for the Chief Executive Officer and General Manager is correlated, deliberating both when defining the objectives themselves and at the time of the related accounting, making use in particular of the support of the RAC;

⁷ For more information on the IREN governance structure, please see the Report on Corporate Governance and Ownership Structures for 2020, which will be made available under the terms and with the methods established in the regulations in effect.

- without prejudice to the responsibilities of the Shareholders' Meeting on the subject, when the conditions established under article 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 Appointments and Remuneration Committee, having consulted the Control, Risk and Sustainability Committee, may provide for specific temporary exceptions to the remuneration policy described in Section One of the Report, without prejudice to the application of the rules laid down in the Procedure for Related Party Transactions;
 - prepares the Report on Remuneration Policy and Compensation Paid pursuant to article 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 under article 2389, paragraph 3 of the Italian Civil Code, by the Code (relative to implementation of corporate governance rules relative to compensation and other benefits) and the RPT Procedure;
 - may participate, as an invited member, in meetings of the RAC, in the person of its Chairperson and/or another Standing Auditor;
 - also, with the aid of an independent consultant, examines in detail the remuneration practices that are widespread in the reference sectors and for companies of a similar size concerning the remuneration of the Control Bodies, intending to make 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 Nomination Committee is composed of non-executive directors, the majority of whom are independent, with the Chairperson selected from among the independent directors.

By resolutions passed on 22 and 30 May 2019, following the relevant installation, the Board of Directors of IREN appointed the following Non-Executive Directors, the majority of whom are independent, as members of the Committee: Mr Pietro Paolo Giampellegrini (independent) - who acts as Chairman of the Committee - Mr Maurizio Irrera and Ms Francesca Grasselli (independent).

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).

On the matter of remuneration, the Committee performs the duties indicated in Recommendation no. 25 of the Code and adequately described in the Regulation on the functioning – and in particular the following preliminary, propositional and advisory functions towards the Board of Directors:

- formulates proposals to the Company's Board of Directors on the definition of the policy on remuneration of the Board of Directors, the Board of Statutory Auditors and IREN Group Senior Executives with Strategic Responsibilities, in compliance with current legislation and having regard to the criteria recommended by the Corporate Governance Code itself, after interacting with the Company's Control, Risk 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 TUF, for its presentation to the Shareholders' Meeting called for approval of the annual financial statements;
- submits proposals or express opinions to the Company's Board of Directors on the remuneration of executive Directors and other Directors who hold specific positions and establishes performance targets relating to a short and medium/long-term variable component connected with this remuneration;
- monitors the concrete 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 with the aid of an independent consultant, examines the remuneration practices widespread in the reference sectors and for companies of a similar size regarding the compensation of the Board of Directors and the members of the Committees, intending to make the results of the analysis available to the Shareholders for the adoption of the measures for which they are responsible under article 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 article 5 of the Code and on appointment aspects pursuant to article 4 of the Code.

The Committee at the time reported to the Shareholders' Meeting called to approve the 2019 financial statements with regards to the methods used to carry out its responsibilities. To this end, the Annual Shareholders' Meeting held on 29 April 2020 was attended by all of its members. At least one IREN Statutory Auditor participated in the Committee meetings held in 2020.

Some of the Committee's meetings were attended by Company senior executives at the invitation of the Committee itself to report on individual items on the agenda. 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 2020 and those scheduled for 2021

During 2020, the Remuneration and Appointments Committee met eleven (11) times – one of which jointly with IREN's Control, Risk and Sustainability Committee – with 97% of its members attending and the presence of a standing member of the Board of Statutory Auditors at all meetings – dealing with the main issues summarised below.

Main issues dealt with in 2020

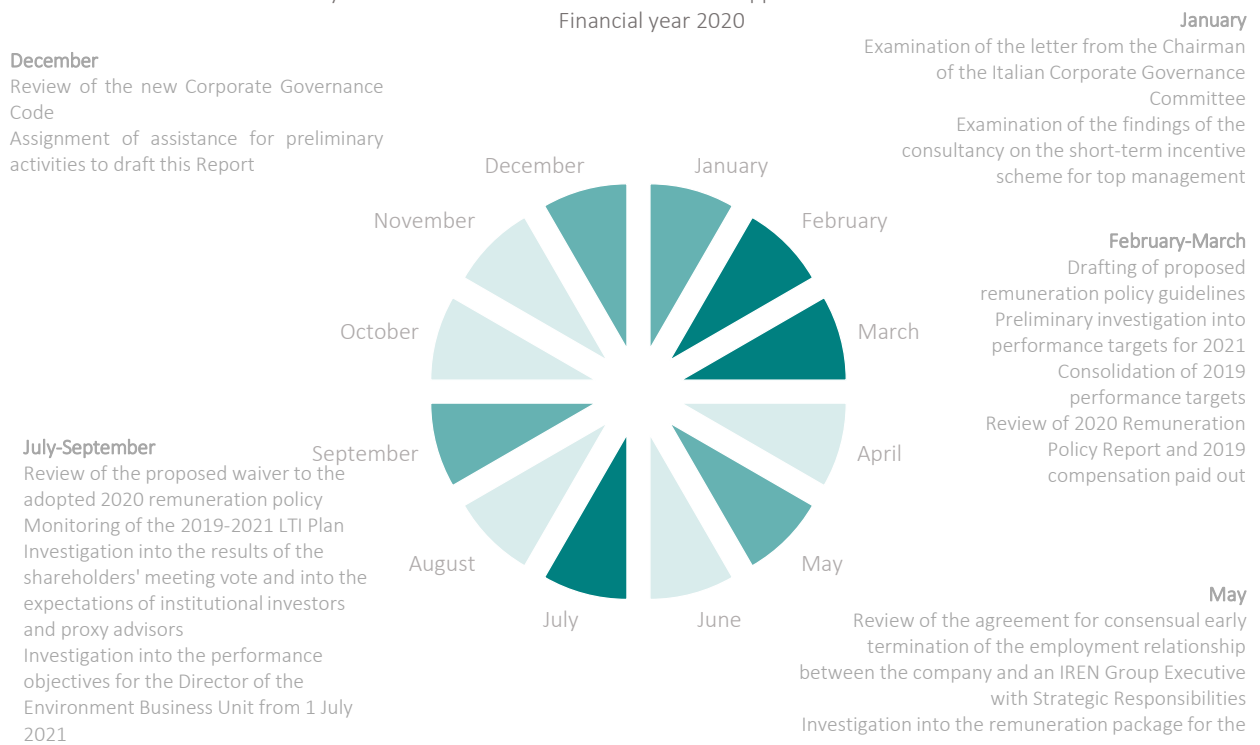
January 2020	<p>Acknowledgement of the budget assigned for the year by the Company's Board of Directors.</p> <p>Update on the progress of the work of the consultant Eric Salmon & Partners, appointed to assist the Committee in verifying the system of short-term performance objectives for the Chief Executive Officer and General Manager of IREN and the Executives with Strategic Responsibilities of the IREN Group, as well as to support any remodelling for 2020.</p> <p>Appointment of a third party and independent consultant, identified as EY, to assist the Committee in the preparatory activities to draft the Report on the 2020 Remuneration Policy and 2019 compensation paid.</p> <p>Examination of recommendations contained in the letter sent to listed Italian companies on December 2019, signed by the Chairperson of the Italian Corporate Governance Committee.</p>
February 2020	<p>Definition of proposed Guidelines for remuneration policy for IREN Executive Directors and IREN Group Senior Executives with Strategic Responsibilities for 2020.</p> <p>Definition of the proposal (functional to the making of the consequent resolutions by the relevant IREN bodies) for the performance objectives for 2020 for the IREN Chief Executive Officer and General Manager and for the IREN Group Senior Executives with Strategic Responsibilities.</p>
March 2020	<p>Examination of the results of the remuneration <i>benchmarking</i> carried out by the Committee's <i>advisor</i>, identified as EY, with reference to Non-Executive Directors (also <i>Non-Executive Directors</i> or "NED").</p> <p>Investigation regarding the level of achievement for short-term performance objectives assigned for 2019 for the IREN Chief Executive Officer and General Manager and for the IREN Group Senior Executives with Strategic Responsibilities.</p> <p>Review of the Report on the 2020 Remuneration Policy and the 2019 compensation paid and the proposal's draft to take the measures pertaining to it by the Board of Directors of the Company.</p>
Shareholders' Meeting of 29 April 2020	
May 2020	<p>Examination of the agreement's contents for the consensual early termination of the employment relationship between the Company and an IREN Group Senior Executive with Strategic Responsibilities, through the signing of a trade union conciliation report.</p> <p>Examination of the proposal, expressed by the Chief Executive Officer and General Manager of IREN, regarding the remuneration for the IREN Group Senior Executive with Strategic Responsibilities who, from 1 July 2020, has taken on the role of Director of the Environment Business Unit as well as Chief Executive Officer of IREN Ambiente S.p.A.</p>

	Preliminary investigation in support of the Board of Directors, regarding the adjustment of the remuneration policy approved for 2020, with particular regard to the revision of the mechanisms of performance envisaged within the short-term incentive systems assigned for 2020 to the corporate population (including IREN Group Senior Executives with Strategic Responsibilities).
	Functional activity for monitoring the 2019-2021 Long-Term Incentive Plan.
July 2020	Analysis of the <i>report</i> prepared by the <i>advisor</i> with reference to the results of the shareholders' meeting votes that took place on the Report for 2020 Remuneration Policy and 2019 compensation paid, the <i>best practices</i> on remuneration policy as well as the requests of institutional investors and <i>proxy advisors</i> . As a result of the change of role within the Group, examination of the proposal to reshape the performance targets for 2020 for the IREN Group Executive with Strategic Responsibilities who, as of 1 July 2020, took on the role of Director of the Environment Business Unit as well as Chief Executive Officer of IREN Ambiente S.p.A.
September 2020	Preliminary investigation regarding the extension and IREN Chief Executive Officer and General Manager of the derogation mechanism approved by IREN Board of Directors on 4 August 2020.
December 2020	Review of the changes to the Corporate Governance Code (January 2020), to be applied by the Company's Board of Directors, with a particular focus on matters under its purview. Selection of an independent third party consultant, identified as EY, to assist the Committee in the preparatory activities to prepare the 2021 Remuneration Policy Report and the 2020 compensation paid.

In 2021, at the date of approval of this Report, the Committee in office met seven (7) times (i.e. on 18 January, 18 and 19 February, 19 and 30 March, 1 and 6 April 2021), one of which jointly with IREN's Control, Risk and Sustainability Committee, and its activity focused, in particular, on:

- following the execution of a beauty contest, the assignment to a third and independent consultant - identified as the consulting firm The European House – Ambrosetti (hereinafter also "**Ambrosetti**") – of the task of assisting the Committee in carrying out a benchmark analysis of the remuneration of the non-executive directors, including those who are members of the Committees established within the Board of Directors compared to a reference peer group;
- the examination, as relevant, of the letter from the Chairperson of the Italian Corporate Governance Committee, which was received in December 2020, sent to the attention of the Chairpersons of Italian listed companies;
- on the examination of the communication from the Chief Executive Officer and General Manager of IREN S.p.A. regarding the updating of the list of IREN Group Senior Executives with Strategic Responsibilities;
- on the amendments made by Consob, with resolution no. 17221 of 10 December 2020, to the Regulation containing provisions on related party transactions adopted by Consob with resolution no. 17221 of 12 March 2010, limited to the profiles for which it is responsible;
- a further in-depth study of *best practices* in the field of remuneration policy, along with as requests from institutional investors and *proxy advisors*;
- examination, on the input of the Board of Statutory Auditors, of the results of the remuneration benchmarking carried out concerning the compensation of the control body, for their implementation within the scope of the proposed Guidelines on the remuneration policy for Directors, including executive directors/senior executives holding particular offices, and Statutory Auditors of IREN, along with the top management of the IREN Group for FY 2021 (hereinafter also "**Guidelines**" or "**2021 Guidelines**");
- taking into account the remuneration policy implemented in 2020, the vote taken on the Report on the 2020 Remuneration Policy and 2019 compensation paid by the Shareholders' Meeting on 29 April 2020 and, with the support of the EY advisor, on the definition of the proposed 2021 Guidelines, subsequently approved by the Company's Board of Directors on 23 February 2021;
- 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 2021 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 2020 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.

Cycle of activities of the Remuneration and Appointments Committee
Financial year 2020



On 19 February 2021, a joint meeting was held between the Remuneration and Appointments Committee and the IREN Control, Risk and Sustainability Committee, during which the update of the 2021 Guidelines was examined, following the duties and prerogatives of their respective competencies, before the resolutions falling within the competence of the Company's administrative body.

More specifically, in the light of the tasks assigned to it relative to risk monitoring and corporate social responsibility, the attention of the Control, Risk and Sustainability Committee was focussed on the consistency of the Guidelines (above all with reference to the incentive system) with the Company's risk management policy and the adequacy of the same in terms of creating value for shareholders over the medium/long term.

Upcoming meetings during the year in course will, among other things, regard monitoring of the 2019-2021 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.

2021 Remuneration Policy approval process

The Remuneration and Appointments Committee, in the exercise of its powers, defined the structure and contents of the Guidelines on the remuneration policy for Directors, including executive directors/executives with special duties, and Statutory Auditors of IREN, along with the top management of the IREN Group for the year 2021, to prepare this Report, at the meeting held on 19 February 2021 (held jointly with the Control, Risk and Sustainability Committee), consistently with the recommendations of the Code.

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 23 February 2021.

Implementation of the remuneration policies determined in line with the Board of Directors guidelines occurs in part through the bodies appointed to this task, with the support of the relevant company departments.

In order to prepare the 2021 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 29 April 2020.

When preparing the 2021 Guidelines, the Remuneration and Appointments Committee made use of support:

- EY, the independent *advisor* to which the Committee has entrusted, also for 2021, the task of assisting in all preparatory activities for the preparation of this Report;
- the European House – Ambrosetti, an independent advisor selected following the completion of a competitive procedure by the competent company department; the consultant's work was aimed at providing the CRN with an in-depth, independent study, including a benchmark analysis of the remuneration position of the non-executive members of IREN's administrative body and the members of the internal Board Committees compared to a reference panel – see below.

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 article 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 serve to align the interests of management with respect to the prioritised objective of guaranteeing the sustainable success of the Company, by increasing the value for shareholders over the medium/long-term, making it possible to achieve stable and sustainable results over the short and long-term, in line with the Business Plan, ensuring adequate retention of those in strategic positions for governance and business and, more generally, promoting the company's mission and values, with particular attention to sustainability.

Furthermore, the Company's long-term interests 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 Structure according to Article 123-bis of the Consolidated Law on Finance), under which the Remuneration Policy was prepared. In order to monitor these aspects, also for 2021, the Group maintained the decision to hold a joint meeting between the Remuneration and Appointments Committee and the Control, Risk and Sustainability Committee of IREN S.p.A. for the examination, in compliance with the functions and prerogatives of their respective proficiency, of the 2021 Guidelines, before the resolutions falling within the competence of the Company's administrative body.

In terms of remuneration policies, the short-term incentive system for the IREN Chief Executive Officer and General Manager and the IREN Group Senior Executives with Strategic Responsibilities 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:

- allow performance to be assessed on quantitative and qualitative variables with a direct link to company performance, as well as to 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 component – confirmed for 2019-2021 for the IREN Chief Executive Officer and General Manager and the IREN Group Senior Executives with Strategic Responsibilities – has the objectives 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 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;

- 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 the 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.

As for 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 to enable them to adopt the measures pertaining to them, defining, in the appropriate positions, compensation fair to the proficiency, 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* defining the 2021 Guidelines also took into account:

- resolutions made on the issue of compensation by the Directors, adopted by the Shareholders' Meeting on 22 May 2019, in particular the principles of the comprehensive nature of remuneration and the obligation to pay back employees and of amounts established as compensation for Directors with special offices within IREN (see that detailed herein);
- 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 by the Board of Statutory Auditors, concerning the compensation for the Board of Statutory Auditors (with the support of the EY advisor), as well as by the Remuneration and Appointments Committee, regarding the pay for the non-executive Directors and the members of the internal Board Committees (with the support of the advisors of The European House – Ambrosetti).

Market and institutional investor concerns regarding *top management* remuneration policies and *best practices* in this area were examined through:

- insights into the outcome of the shareholders' vote on the Report on 2020 Remuneration Policy and 2019 compensation Paid submitted to the Shareholders' Meeting held on 29 April 2020;
- examination of the issues needing attention raised by the Chairperson of the Italian Corporate Governance Committee in the letter sent in December 2020 to the Chairpersons of Italian listed companies;
- an in-depth examination of the matter as part of the Board of Directors' annual self-assessment activity and its Committees carried out under Article 4 and Principle XIV of the Code.

With reference to the evolution of the regulatory context and the transposition into Italian law of Directive 2017/828 (so-called "SHRD II"), recently concluded with the update of the Consob Issuers' Regulations, a general alignment of the remuneration policies to the new regulations was carried out, in particular concerning say on pay.

Letter from the President of the Italian *Corporate Governance* Committee (December 2020)

Recommendations on remuneration	IREN
Clear indication about identifying the weight of the variable component, distinguishing between components linked to annual and multi-year time horizons.	✓
Strengthen the link between variable remuneration and long-term performance objectives, including, where relevant, also non-financial parameters.	✓
Limit to exceptional cases, after adequate explanation, the possibility of paying amounts not linked to predetermined parameters (in particular, ad hoc bonuses)	✓
Define criteria and procedures for the allocation of termination indemnities.	✓
Verify that the amount of compensation paid to non-executive Directors and members of the Controlling Body is appropriate for their office's proficiency, professionalism, and commitment.	✓

Also, for 2021, the Group took account of the Principles adopted by the Shareholders' Meeting of 22 May 2019, already in force in the previous Board mandate and inspired by a logic of compensation containment:

- principle of the all-inclusive nature of the remuneration received for the employment relationship and the obligation to repay it, which applies to all senior managers/employees of Group companies, under which the Group must hold all corporate positions held within Group companies/entities without any additional remuneration since they are part of the duties;⁸
- the principle of the use of the Directors of the parent company IREN's Board of Directors and employees prevailing in the administrative bodies of the companies directly and indirectly controlled by IREN.

The same Shareholders' Meeting also established the maximum ceiling for overall compensation paid to Directors with special offices, under the Articles of Association for the three years 2019-2021 (Chairperson, Deputy Chairperson and the Chief Executive Officer, taking into account the above principles). These limits are outlined in the respective sections and guided the Remuneration Policy's preparation since the Board's inception.

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).

⁸ The IREN Chief Executive Officer and General Manager is the exception, limited solely to the fixed compensation component, pursuant to article 2389, paragraph 3, Civil Code, due for the exercising of his powers as the Company's Chief Executive Officer.

Changes with respect to the Remuneration Policy approved the previous year

Even considering that the current financial year is the last of the Board's term, the 2021 Guidelines do not present any substantial changes compared to what was examined for 2020 by the Shareholders' Meeting on 29 April 2020.

In general, the adjustments made, in addition to taking into account the requirements that emerged during the pandemic period, are designed to implement the new Recommendations introduced as part of the revision of the Corporate Governance Code, the recommendations of the Chairman of the Italian Corporate Governance Committee and, in general, the changes introduced as part of the revised Article 123-ter TUF.

In addition, the analysis of the market requests, institutional investors and proxy advisors was taken into consideration, with the ultimate aim of improving disclosure.

More specifically:

- considering the importance acknowledged, within the IREN Group, to the issues of sustainable management of the Company, in the context of the individual short-term incentive systems for 2021, the weight of the performance objectives linked to the relationship with stakeholders and ESG parameters has been increased (now equal to 20%), in close connection with those provided for by the Group Industrial Plan and the 2019-2021 Long-Term Incentive Plan;
- remuneration benchmarks have been carried out, both by the outgoing Board of Statutory Auditors (given renewal) and by the Remuneration and Appointments Committee, with reference respectively to the compensation for the Board of Statutory Auditors and the Board of Directors and its Committees, the results of which are brought to the attention of the Shareholders for any decisions to be made;
- concerning the derogation of the remuneration policies for 2020 described in the Report submitted to the Shareholders' Meeting of 29 April 2020, a derogation that the Group reported to the market, the Group maintained the possibility of paying, in 2022, a bonus equal to 50% of the difference between the final percentage of actual achievement of the objectives in 2020 – see Section Two below – and the 100% target for the same year, subject to the entire achievement of the individual objectives assigned for the year 2021, subject to prior investigation by the competent bodies; in practice, this possibility applies to only one Executive with Strategic Responsibilities;⁹
- in line with the regulatory indications, a complete set of exceptional cases has been provided, in the event of the occurrence of which the Board of Directors, having consulted the competent Committees, may consider availing itself of the right to make temporary exceptions to the remuneration policies described in the 2021 Guidelines and this Report;
- since the current financial year represents the last vesting year of the 2019-2021 LTI Plan, it is deemed necessary to start studying the new medium-long term incentive plan for Executives with Strategic Responsibilities. They do not hold corporate executive positions within IREN, as well as for Senior Executive Directors.

Remuneration Policy Guidelines for 2021

The Remuneration Policy for 2021 is based on the following Guidelines.

Members of the Board of Statutory Auditors

For the Board of Statutory Auditors, whose term of office expires with the approval of 2020 financial statements, the determination of the related compensation is referred to the Shareholders' Meeting, which will renew the body for the three years 2021-2023. Given the renewal of the mandate, the Board of Statutory Auditors of the Company, with the support of EY, carried out a benchmarking analysis of its remuneration positioning concerning the main comparables in terms of size and/or sector, the results of which were, among other things, brought to the attention of the Board of Directors of the Company.

⁹ In this regard, please refer to the Notice published on 4 August 2020 and available at the following address (https://www.gruppofirenze.it/documents/21402/442112/20200804_Politiche+remunerative+eng.pdf/78524469-9837-4a90-887f-d0c9572ff46a).

From the analysis carried out, a very significant gap emerges between the remuneration approved by the Shareholders' Meeting in 2018 in favour of the Chair and the members of the outgoing Board of Statutory Auditors and the remuneration for similar offices provided for by the reference market.

Therefore, the IREN Board of Directors has taken note of the intention of the outgoing Board of Statutory Auditors to submit to the Shareholders' Meeting, which will soon be called upon to elect the Company's new control body, the revision of the amount of the compensation of the Chairman and the members of the Board of Statutory Auditors, to bring it into line with market levels; this is intending to make the remuneration policy of the Board of Statutory Auditors more consistent with the commitment required to perform the task and with the related responsibilities.

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 22 May 2019 of 23,000 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 2019-2021 (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 22 May 2019, differentiating between the Chairperson and other members, as follows: € 11,000 gross per year for the position as a Chairman of the Committee and € 5,850 gross per year for the other members.

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 there are no agreements providing for compensation in the event of early termination of office.

In line with the recommendations outlined in the December 2020 letter from the Chairman of the Italian Corporate Governance Committee along with the Recommendation no. 25 of the Code ("In order to have people with adequate expertise and professionalism, the remuneration of (...) non-executive directors (...) is defined by taking into account the remuneration practices widespread in the reference sectors and for companies of similar size, also considering comparable foreign experiences and making use of an independent consultant if necessary"), the Remuneration and Appointments Committee carried out a study - with the support of the independent advisor, The European House – Ambrosetti, on the pay positioning of both the Company's non-executive directors and the members of the internal Board Committees. The outcome of the said study - which was the subject of a specific report to the Board of Directors at its meeting on 25 March 2021 – highlights how the compensation for the offices mentioned above is aligned around or below the first decile of the market considered, even taking into account the hourly pay based on the time spent in Board and Committee meetings (measured concerning 2019).

Chairperson of the Board of Directors

With reference to the Chairperson, reference is made to the overall remuneration “package” determined by the Board of Directors on 4 June 2019 (unchanged with respect to that established in the previous term), as better described herein.

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

With regards to non-monetary benefits, the 2021 Guidelines do not include any particular changes with respect to previous years. For more information on this, please see Section Two. Note that in 2021 coverage of civil liability for heads of household will be extended to the Chairperson, already existing for IREN Group executives.

Deputy Chairperson

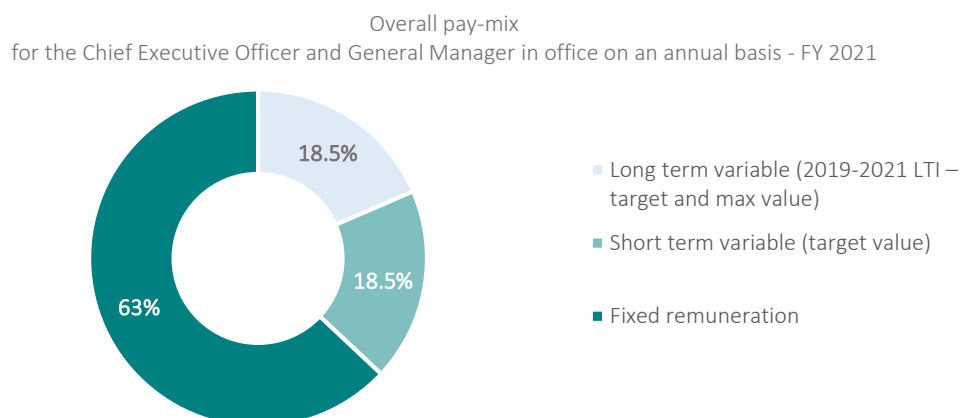
With regard to the Deputy Chairperson, reference is made to the overall remuneration “package” determined by the Board of Directors on 4 June 2019 (unchanged with respect to that established in the previous term), as better described herein.

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

With regards to non-monetary benefits, the 2021 Guidelines do not include any particular changes with respect to previous years. For more information on this, please see Section Two. Note that in 2021 coverage of civil liability for heads of household will be extended to the Deputy Chairperson, already existing for IREN Group executives.

CEO and General Manager

With reference to the Chief Executive Officer and General Manager of IREN, reference is made to the overall "package" determined by the Board of Directors on 2 July 2019.



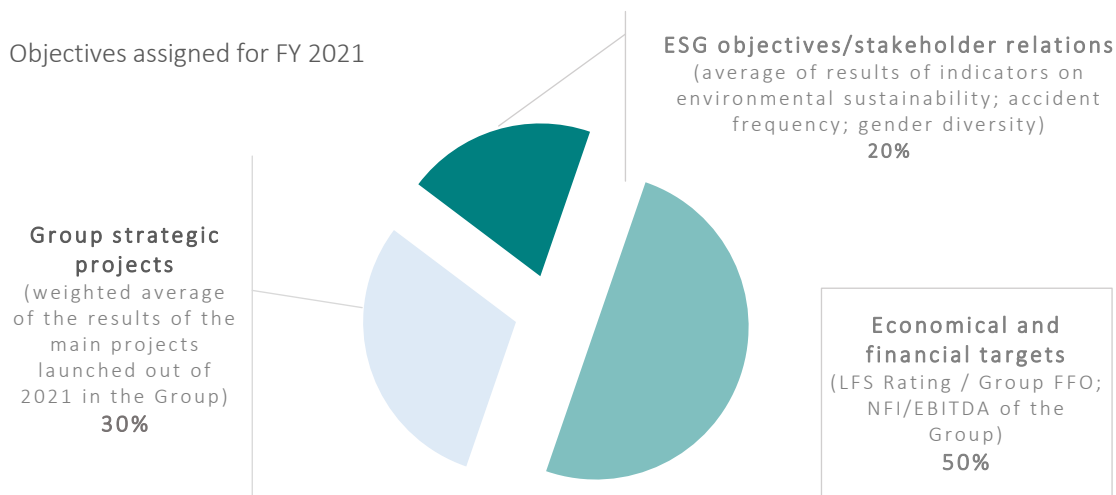
On that date, the administrative body:

- assigned Massimiliano Bianco (already appointed the Company's Chief Executive Officer after the renewal of the three year term for 2019-2021) the additional position of the Company's General Manager, granting him specific operating powers;
- approved the economic/contractual conditions of the new fixed term employment relationship between the Company and Massimiliano Bianco (from 1 July 2019 to 30 June 2022), in line with the results of the comparative remuneration studies carried out, reported below (i) fixed Gross Annual Salary of 272,000 Euro, paid in relation to the position of General Manager of the Company (to which is added gross annual salary pursuant to article 2389, paragraph 3, Civil Code, in relation to the position of Chief Executive Officer of the Company, approved by the Company's Board of Directors on 4 June 2019, in the amount of 57,000 Euro); (ii) Gross Variable Annual Remuneration, in its target value, equal to around 35% of Gross Annual Salary, in relation to the achievement of objectives defined annually by the Board of Directors;¹⁰
- resolved the adhesion of the Company's Chief Executive Officer and General Manager to the 2019-2021 Long Term Monetary Incentive Plan (effective as of 1 January 2019), recognising the conclusion of the vesting period with a monetary incentive equal to 105% of Gross Annual Salary (35% on an annual basis), in its target value.

¹⁰ 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 22 May 2019, 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.

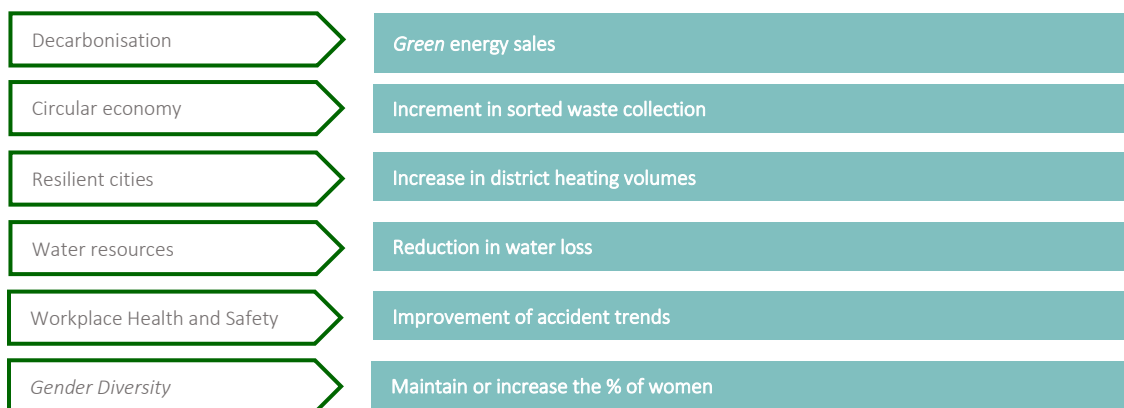
2021 Short-term Variable Incentives

The performance objectives for the IREN's Chief Executive Officer and General Manager for 2021 were assigned by the Board of Directors of the Company with a resolution passed on 23 February 2021, after preliminary investigation by the Company's Remuneration and Appointments Committee.



The Company does not illustrate the annual value of the 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 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.

The objectives relating to relations with stakeholders and sustainability also maintained for 2021 and with greater weight, are closely linked to those conceived by the Group Industrial Plan and already present in the Long-term Incentive Plan, demonstrating the Group's systematic attention to the matters in question, with a focus on:



With reference to incentive mechanisms, again in 2021, as in previous years, binding conditions or “gates” continue to be included, linked to maintaining an investment grade rating from 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 threshold of the average overall achievement of individual targets greater than and/or equal to 70% is maintained for 2021 as a further condition for access to 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).

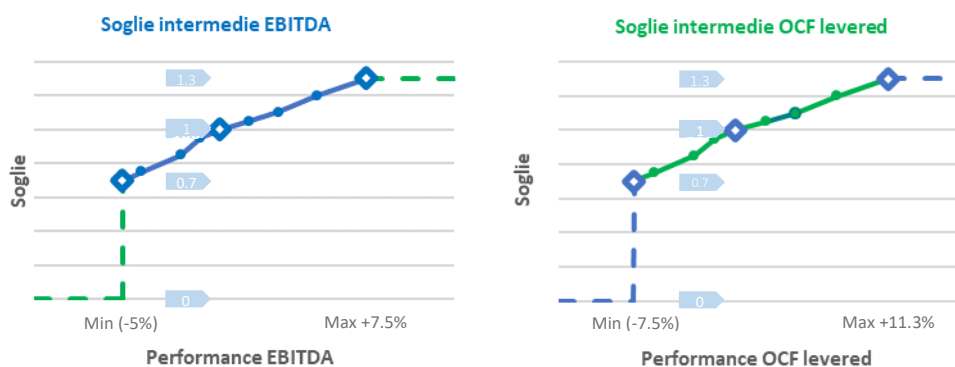
Also for 2020, a corrective factor will be applied for the IREN Chief Executive Officer and General Manager for individual results (individual objectives), aimed at incentivising the creation of value by the Group with respect to planned targets.

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 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 2021, 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 2021 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 the 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

At the time the new fixed term employment contract was negotiated with the IREN Chief Executive Officer and General Manager, it was established that, in the case of non-renewal of the position of Director or of the Duties, 22 monthly payments of global remuneration¹¹ will be paid, with the termination of the employment contract upon expiration of the contract.

In the case of revocation, without just cause, of the office of Director and/or Proxies prior to the expiration of the office, disbursement of a voluntary redundancy amount is instead established (22 months of global remuneration¹², plus one month for every month with a termination date prior to the expiration of the fixed term contract, up to a maximum of an additional 6 months), with termination of the employment relationship within thirty days.

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. No non-competition agreements pursuant to article 2125 of the Italian Civil Code have been established between IREN and the Company's Chief Executive Officer and General Manager.

In the case of early termination by the Managing Director and General Manager of IREN of the office or powers, the same will be required to give notice equal to 50% of the period remaining until the end of the employment agreement.

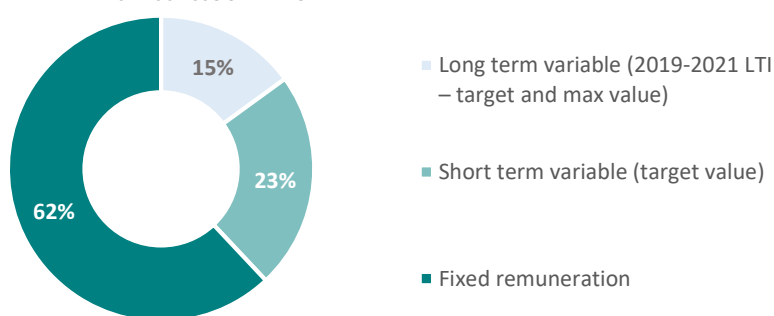
The impacts of any termination of office or termination of employment on the rights granted under the 2019-2021 LTI Plan are described in the relevant Plan Rules.

Non-monetary benefits

For IREN's Chief Executive Officer and General Manager, concerning non-monetary benefits, the 2021 Guidelines do not envisage substantial changes compared to the previous year, for which reference should be made to Section Two below.

Senior Executives with Strategic Responsibilities

Pay-mix for IREN Group Senior Executives with Strategic Responsibilities on annual basis - FY 2021



Fixed remuneration

The results of the analyses on the remuneration positioning of executive roles, carried out in previous years by the corporate structures and the IREN Remuneration and Appointments Committee, with the

¹¹ Each total monthly payment will take into account the sum of one month of fixed remuneration and the monthly average of short-term remuneration disbursed in the three preceding years.

¹² Each total monthly payment will take into account the sum of one month of fixed remuneration and the monthly average of short-term remuneration disbursed in the three preceding years.

support of advisors, confirmed the general positioning of the persons analysed below the first quartile of the market.

Following the establishment of the new Board term, based on a proposal by the IREN Group's Chief Executive Officer and after the relative study by the RAC in office, the fixed remuneration component for SESR was redetermined, continuing to guarantee an adequate pay-mix, in order to improve the remuneration position within the reference market, in part recovering the remuneration differential with regards to the median. These remuneration changes, on which the RAC expressed a positive opinion, took effect as of 1 January 2020.

In line with market practices, it was also confirmed that positions with a greater weight cannot have an overall remuneration package which is less than one or more of those reporting to them as well as the need to avoid imbalance between the positions in question, taking into account factors such as the responsibilities assigned, characteristics of companies managed (number of employees, turnover, average investments) and the sector in which they operate, as well as the skill required, also in order to maintain 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 continue to be assigned as an indemnity linked to the position assigned (which can be defined as a "office indemnity" or "organisational position indemnity").

The payment made for this purpose can hence be redetermined in the case of transfer to other positions. Although we are aware that the remuneration position of the IREN Group's Senior Executives with Strategic Responsibilities still differs from the market median, considering the set of measures implemented over the past three years in terms of both fixed and incentive remuneration and welfare, along with the choices made concerning Directors, no changes are expected for 2021.

Short-term Variable Incentives

Consistently with the above-mentioned remuneration comparison studies, in order to improve the pay-mix in the remuneration packages for IREN Group Senior Executives with Strategic Responsibilities, the maximum percentage for disbursement of short-term incentives was increased which, in some cases, reaches 38.5% of individual Gross Annual Salary. The average percentage, as stated previously, is 37.1% of Gross Annual Salary.

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 2021, 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/business area managed relating to economic, financial and operational performance (e.g., the Group's economic and financial performance and the results of its operations). Marginal Growth, Debt Control and Investments), with a weight of 45%; (ii) sharing responsibilities for strategic Group projects by defining, for Executives with Strategic Responsibilities, 35% of the performance indicators for integration and/or optimisation projects; (iii) maintaining the focus on the issue of stakeholder relations and ESG factors, as recommended by the Board of Directors, by introducing for all Executives with Strategic Responsibilities of the IREN Group a performance indicator linked - concerning the various areas of activity - to issues such as decarbonisation, circular economy, resilient cities, water resources, customer focus, attention to personnel and gender diversity with a weight of 20%, an increase compared to the previous year.

Again in 2021, 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 a primary ratings company.

Again in 2021, 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 2021, an individual results correction factor (individual objectives) - 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 Act – at Business Unit level) – is applied to take into account and incentivise the creation of value by the Group for 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:

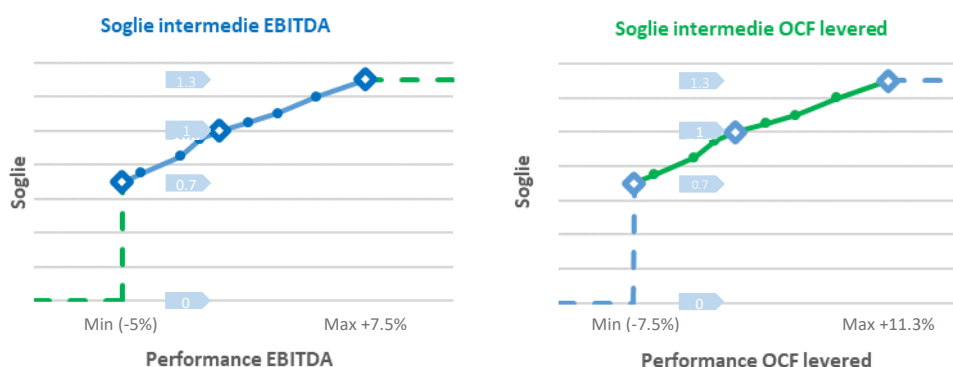
Group Factor K

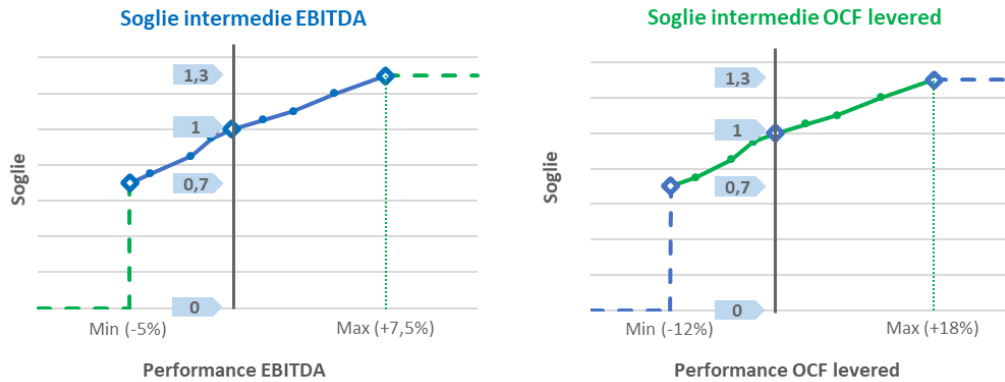
Objective	Weight	Indicator	Measurement	Thresholds (min/max)
Group EBITDA	60%	Final Figure vs. Target (Budget)	Linear with thresholds	Final Figure vs. Target < -5%; 0 Final Figure vs. Target ≥ +7.5%; 1.3
OCF Levered Group	40%	Final Figure vs. Target (Budget)	Linear with thresholds	Final Figure vs. Target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

K-Factor for Independent Operators

Objective	Weight	Indicator	Measurement	Thresholds (min/max)
EBITDA BU Networks	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 BU Networks	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 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 IREN Group's Senior Executives with Strategic Responsibilities clawback clauses have been determined, with the same conditions already referenced for the IREN's Chief Executive Officer and General Manager.

Other monetary bonuses

To increase retention of certain IREN Group Senior Executives with Strategic Responsibilities (with the exclusion of the Chief Executive Officer and General Manager), subject to significant competitive pressure and, simultaneously, ensure the continuity of work provided within the Group over the medium term, the possibility of a continuity bonus has been established.

This premium is paid through a onetime annual amount, less than 10% of the RAL per year and is added to the employee's fixed and variable remuneration (pursuant to the previous paragraphs), subordinate to the employee's commitment to not terminate their employment relationship within a given date, defined a priori. Note that both fixed annual remuneration and total annual remuneration perceived are in any case below the median for the market.

If the employment relationship is terminated prior to the established date, for reasons due to or attributable to the employee, they must return the amount of the continuity bonus received to the Company.

As stated, the continuity bonus has not been established for IREN's Chief Executive Officer and General Manager, and in 2021 will be used for only one Senior Executive with Strategic Responsibilities.

Non-monetary benefits

Regarding non-monetary benefits for Key Management Personnel, the 2021 Guidelines do not envisage any substantial changes compared to the previous year, so please refer to Section Two below.

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. The impacts of any termination of office or termination of employment on the rights granted under the 2019-2021 LTI Plan are described in the relevant Plan Rules.

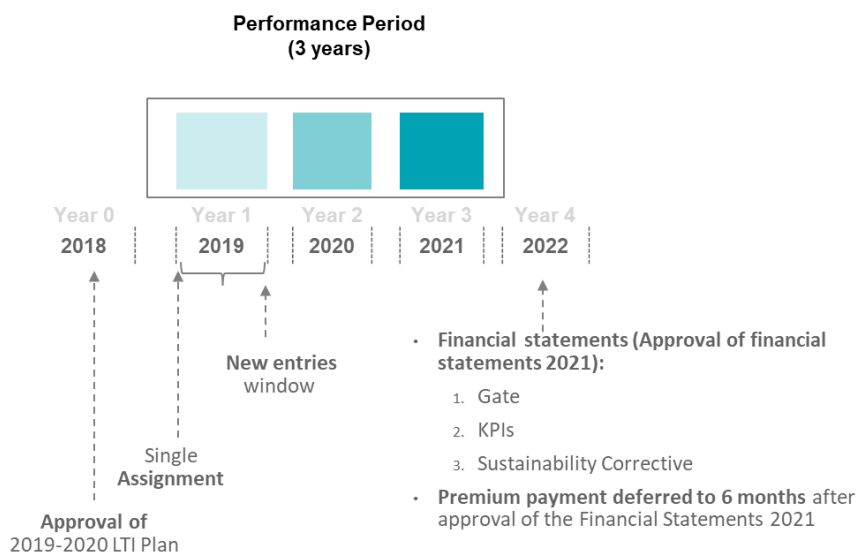
No non-competition agreements pursuant to article 2125 of the Civil Code have been established between IREN and the Senior Executives with Strategic Responsibilities.

2019-2021 Long-term Variable Incentives

On 27 November 2018, the IREN Board of Directors then in office confirmed, for 2019-2021, maintaining of a variable remuneration component for top management linked to medium/long-term performance, through the approval of the 2019-2021 LTI Plan, initially applying to IREN Group Senior Executives with Strategic Responsibilities, as well as to other top level employees able to make a significant contribution to the achievement of Business Plan objectives. On the same day, specific Regulations for the 2019-2021 LTI Plan were approved.

On 2 July 2019, the Board of Directors approved the adhesion of the Company's Chief Executive Officer and General Manager to the 2019-2021 LTI Plan, effective as of 1 January 2019, with the approval of an addendum to the 2019-2021 LTI Plan Regulations.

The 2019-2021 LTI Plan includes measurement of performance with reference to the period 2019-2021 (1 January 2019 to 31 December 2021), with performance indicators connected to the Group's 2018-2023 Business Plan.



Specifically, disbursement of the premium is subordinate:

- to the meeting of a “gate” condition, namely maintenance, at the end of 2021, of an investment grade rating from one of the three major ratings agencies (Fitch, Moody’s, Standard & Poor’s), at the level recognised in 2015 (BBB- from Fitch);
- to the achievement of 3 (three) specific objectives, independent of each other, identified in line with that established in the Group’s Business Plan (cumulative EBITDA 2019-2021; cumulative Operating Cash Flow Levered 2019-2021; cumulative investments 2019-2021).¹³

Performance Indicator Weight 2019-2021 LTI Plan



^(*) 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.

¹³ For the IREN Group's Senior Executives with Strategic Responsibilities for whom the constraints deriving from the regulations on functional separation apply, specific *performance* indicators have been conceived, governed within the Regulations on the operation of the 2019-2021 LTI Plan.

For all objectives, 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.

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.

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 2019-2021 LTI Plan.

However, there is a compensation mechanism in the case of over-performance solely for the cumulative Operating Cash Flow levered indicator, in favour of under-performance in the other two Indicators, up to a maximum of 20%.

As anticipated previously, specific objectives regarding sustainable business management have been taken into consideration in the 2019-2021 LTI Plan. Specifically, an additional form has been introduced which contains sustainability indicators, with possible negative corrective effects (up to a maximum of 10%) on the bonus accrued, taking into account the achievement of the objectives listed above.

This form consists of 4 (four) Key Performance Indicators, measured using an on/off logic, and identified in concert with the Corporate Social Responsibility and Local Committees of IREN, from among those approved by the IREN Board of Directors in the context of the Business Plan:

- gender diversity (composite indicator, which includes i) % women out of total employees; ii) % hires of women out of total hires; iii) % women executives and managers out of total executives and managers; iv) % women participating in training courses out of total participants);
- circular economy (recoverable waste processed in Group plants);
- water resources (water network losses);
- resilient cities (district heating volumes).

With reference to IREN's Chief Executive Officer and General Manager, the maximum monetary incentive achievable at the end of the period is equal to 105% of Gross Annual Salary, in the case that 100% of the targets are achieved. With reference to the Group's Senior Executives with Strategic Responsibilities, the maximum monetary incentive has been set at 75% of individual Gross Annual Salary (taking into account the definition of the time horizon of the 2019-2021 LTI Plan over a three year period).

Without prejudice to the compensation mechanisms described above, the maximum incentive is disbursed if 100% of the strategic targets are met as established for 2019-2021.

Also relative to the 2019-2021 LTI Plan, in line with that recommended in the Corporate Governance Code, for the IREN Chief Executive Officer and General Manager and the IREN Group Senior Executives with Strategic Responsibilities a deferral term has been introduced for payment, equal to 6 (six) months with respect to the date on which the Shareholders' Meeting approves the financial statements for 2021.

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 Regulations for the 2019-2021 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 disburseable);
- 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 IREN Group Code of Ethics; 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 they have the necessary information. 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 2019-2021 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.

Again in compliance with the Corporate Governance Code for Listed Companies, the application of malus and clawback clauses was also confirmed by the IREN Chief Executive Officer and General Manager, under the terms expressed above with reference to IREN Group Senior Executives with Strategic Responsibilities.

In particular, for the IREN Chief Executive Officer and General Manager:

- 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 to long-term incentives

As the current financial year represents the last year of vesting of the 2019-2021 LTI Plan, it is deemed appropriate to confirm a long-term incentive instrument for the following three-year period.

The purpose of maintaining a long-term portion of remuneration is to continue to make the remuneration package for the Group's key figures adequate and competitive and to ensure a balanced ratio between fixed and variable components in the Executives' pay-mix, as emerged from the results of studies comparing remuneration levels carried out in the past by the structures and by the Remuneration and Appointments Committee, in line with the recent indications of the Code.

For these reasons, the study of the new medium-long term incentive plan intended for Senior Executives with Strategic Responsibilities who do not hold corporate executive positions in IREN and Executive Directors is deemed to start as early as 2021.

Reference to remuneration policies of other companies

Both determination of the architecture of the 2019-2021 LTI Plan and adoption of the 2021 Guidelines were preceded by specific remuneration benchmark 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 shareholding and/or sector, listed in the following table.

Panel of companies for remuneration benchmark

Subject of the comparison	Advisor	Criteria	Peer Group
- 2018 - Long-Term Variable Incentive Systems	EY	Companies in the Energy & Utilities sector Companies belonging to the FTSE Italia <i>Mid-Cap</i> index with a capitalization of +/- 30% compared to 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 Senior Executives with Strategic Responsibilities	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 goals	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 Retributive 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 Retributive NEDs and Committees	The European House - Ambrosetti	Panel of companies comparable to IREN based on size, shareholding structure and/or <i>business</i> sector	A2A, Acea, Ascopiave, ASTM, Brembo, Brunello Cucinelli, ERG, Enav, Falck Renewables, Hera, IMA, Italgas, Leonardo, Mediaset, Reply, Saipem, Salvatore Ferragamo.

Derogations to the remuneration policy

Also, for 2021, on an exceptional and non-recurring basis, subject to the opinion of the Remuneration and Appointments Committee, having consulted the Control, Risk and Sustainability Committee, the Board of Directors may envisage specific temporary exceptions to the policy described above, regarding 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 the IREN Group and without prejudice to the application of the discipline envisaged by the Procedure for Transactions with Related Parties.

Exceptional powers may concern the amount and contractual form of the fixed component in the event of changes to current roles, the related delegated powers and/or employment relationships, the thresholds required for the payment of remuneration components, including variable components, the amount of the variable component due under the provisions described in the Remuneration Policies, as well as the payment or non-payment of the variable component regardless of whether the conditions for its payment have been met and the bringing forward or postponement of the dates for the payment of the variable component.

More specifically, concerning the progress of the pandemic, without prejudice to the fact that the Group cannot change the objectives assigned at the beginning of the year, it may be appropriate, as occurred in 2020 and better specified below, to evaluate the introduction of corrective measures for short-term incentive pay in the event of significant blocks to activities for reasons of prevention and containment of the contagion, corrective measures that must, in any case, be adopted promptly and ex-ante.

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 extraordinary transactions not previously planned (e.g. restructuring, reorganisation or reconversion), changes to the organisational, management 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 managing bodies and the need to negotiate a remuneration package for their replacement in a short period, where the constraints contained in the approved policy constitute a limit to the creation of value and the sustainability of the Company in the long-term.

Any recourse to the option of derogation will in any case be reported to the market.

Section Two

Compensation and other information for 2020

Section Two - Remuneration and other information relative to 2020

Part One - Implementation of 2020 remuneration policies

Below is a description of compensation disbursed and/or assigned in 2020 to IREN Directors and Statutory Auditors and to IREN Group's Senior Executives with Strategic Responsibilities.

Implementation of the 2020 remuneration policy, as verified by the Remuneration and Appointments Committee during its regular assessment as foreseen by the Italian Corporate Governance Code, remained in line with the general principles indicated in the resolutions adopted by the Board of Directors. It was broadly consistent with the Remuneration Policy for the same year, subject to the following. During 2020, availing itself of the power described in Section One of the Report on the 2020 Remuneration Policy and on the 2019 compensation paid, submitted to the Shareholders' Meeting of 29 April 2020, the Board of Directors of the Company, after preliminary investigation by the Remuneration and Appointments Committee of the Company, approved an adjustment of the policy for the same year, with specific reference to the incentive mechanisms and the calculation methods envisaged under the short-term incentive scheme for the 2020 financial year assigned to the Company's management (including the Chief Executive Officer and General Manager of IREN as well as the Senior Executives with Strategic Responsibilities of the IREN Group), an adjustment described below.

Non-executive Directors

Concerning the Directors of IREN, in 2020, the fixed compensation for the office resolved, for the 2019-2021 term, by the Shareholders' Meeting of 22 May 2019, equal to € 23,000 gross per annum, was paid for the expenses incurred because of the office, in compliance with the Guidelines adopted on the matter by the Board of Directors of the Company.

No forms of variable remuneration linked to company results were provided, nor remuneration based on shares.

All board members are covered by a specific company insurance policy covering professional civil liability towards third parties (so-called D&O policy) and specific accident insurance coverage (professional component).

Board Committees

In compliance with that resolved by the Board of Directors on 04 June 2019, in 2020 additional compensation was also disbursed for participation on internal Board committees (11,000 Euro gross annually for the Chairperson; 5,850 Euro gross annually for each member).

Board of Statutory Auditors

Concerning IREN's Board of Statutory Auditors, the fixed fees approved for the 2018-2020 term of office by the Shareholders' Meeting of 19 April 2018 were paid as follows:

- € 45,000 for the Chairman;
- € 30,000 for the standing Statutory Auditors;

in both cases and the reimbursement of expenses incurred for the office, following the Guidelines adopted on the matter by the Company's Board of Directors.

Directors holding special offices

The remuneration package of Directors holding special offices in the Parent Company is composed of a fixed component, paid for the exercise of the office, in addition to the director's remuneration for the duration of the mandate (equal to €23,000.00 gross per year), the reimbursement of expenses incurred in the performance of their duties, as well as non-monetary benefits (for these items, see the dedicated sections below).

Details of these payments were established by the Board of Directors, based on a proposal from the relevant Committee, taking into account the limits established by the Shareholders' Meeting on 22 May 2019 (for the 2019-2021 term) and the main Shareholders' Meeting regarding remuneration, already referenced multiple times.

The Shareholders' Meeting has established an overall maximum limit for the fixed remuneration of the members of the Board of Directors invested with particular offices provided for in the Articles of Association, quantifying it at €247,000.00 gross per year.

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.

Chairperson

With reference to the Chairperson of the IREN Board of Directors currently, additional gross annual remuneration established for the powers granted in compliance with the Articles of Association was determined by the IREN Board of Directors on 4 June 2019, based on a proposal from the RAC, after hearing from the Board of Statutory Auditors.

Under the policy described in Section One of the Report on the 2020 Remuneration Policy and 2019 Compensation Paid, submitted to the Shareholders' Meeting of 29 April 2020, in 2020, the Chairperson of the Board of Directors in the office enjoyed the following non-monetary benefits: a car for mixed-use, specific accident insurance coverage (professional component), a corporate insurance coverage in the area of professional liability towards third parties (so-called D&O policy), as a member of the Board of Directors, and health plan.

No variable component of remuneration has been provided for the Chairperson of the Board of Directors.

Deputy Chairperson

With reference to the Deputy Chairperson, additional gross annual remuneration established for the powers granted in compliance with the Articles of Association was established by the IREN S.p.A. Board of Directors on 4 June 2019, based on a proposal from the RAC, after hearing from the Board of Statutory Auditors.

During 2020, the Deputy Chairperson in office was provided specific insurance coverage for injuries was provided (professional component) as well as corporate insurance coverage relative to professional civil liability with regards to third parties (so-called D&O Policy).

The individual did not receive any additional benefits provided by the position (company car and telephone), nor receive any reimbursement of expenses relative to the office.

No variable component of remuneration has been provided for the Deputy Chairperson.

CEO and General Manager

With reference to the Chief Executive Officer and General Manager of IREN, for 2020, the economic-contractual conditions provided for the fixed-term employment relationship in place with the Company, approved by the Board of Directors at the meeting of 2 July 2019, subject to the favourable opinion of the RAC, also under regulations on related party transactions, summarised in Section One of this Report, have been applied.

More specifically, from 1 July 2019, the fixed component of the remuneration of the Chief Executive Officer and General Manager of IREN, includes, in addition to the emolument provided for under Article 2389, paragraph 3, of the Italian Civil Code equal to €57,000 for the position of Chief Executive Officer of the Company, a Gross Annual Remuneration equal to €272,000, replacing any different remuneration treatment provided for by any collective source of regulation of the employment relationship.¹⁴

With a resolution on 2 July 2019, the IREN Board of Directors determined the Annual Gross Variable Remuneration for the Company's Chief Executive Officer and General Manager, in the form of the target value, equal to approximately 35% of Gross Annual Salary.

The 2020 performance objectives for Dr Massimiliano Bianco were assigned by the Board of Directors on 27 February 2020. At the same time, considering the extension of the waiver mechanism, described below, to the Chief Executive Officer and General Manager, on 29 September 2020, the Board of Directors confirmed these objectives.

On 07 April 2021, after a study by the RAC, the Board of Directors verified the achievement of the 2020 objectives by the IREN Chief Executive Officer and General Manager.

¹⁴ Without prejudice to that indicated with reference to the fixed compensation for the position, for Massimiliano Bianco, as an employee of the Company, the principle of comprehensive remuneration was binding for the executive employment relationship, as indicated in the resolutions made by the Shareholders' Meetings held on 22 May 2019.

The annual incentive for the IREN Chief Executive Officer and General Manager for 2020 was accrued against a positive assessment relative to the achievement of the objectives set for that year, measured at 110.13%.

More in detail, against an overall achievement of the objectives equal to 97.46%, the Committee and the Board of Directors acknowledged the occurrence of the conditions for the activation of the corrective factor of the individual performance linked to the achievement of the EBITDA and OCF Levered values.

In concrete terms, therefore, the conditions for the activation of the mechanism of derogation from the reference remuneration policy, approved by the Board of Directors of the Company with a resolution of 4 August 2020 and subsequently extended to the Chief Executive Officer and General Manager with a resolution of 29 September 2020, did not occur. Please note that the targets for FY 2020 have not been changed.

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 2020 assigned to IREN's CEO and General Manager, taking into account the final figures reported below.

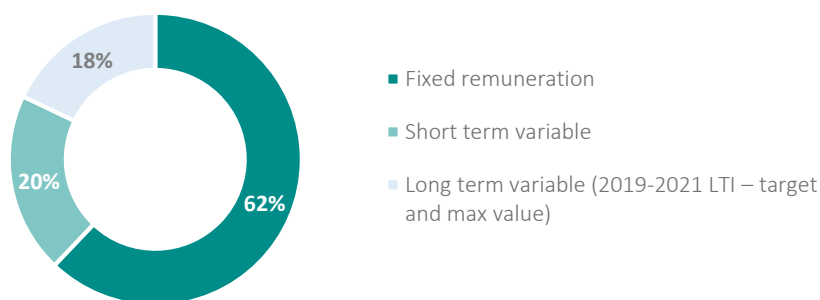
KPIs	Weight	% achieved	Trend
IFL Rating/FFO Group-achievement of established target (final 2020 figure - 4.6x)	25%	100%	→
Group NFP/EBITDA - achievement of established <i>target</i> (final 2020 figure - 3.18x)	25%	100%	↗
Group Strategic Projects - weighted average of the results of the individual projects assigned ¹⁵	35%	100%	↗
Sustainability objectives - achievement of the target <i>objectives</i> of the sustainability indicators assigned for the year 2020 [7 indicators] ¹⁶	15%	83.08%	↘

↘ Below Target → At Target ↗ Over Target

¹⁵ The Group's strategic projects referred to in the objective related to: (i) Market Transformation, i.e. improvement and standardisation of the customer experience and customer relationship processes, along with the back-office processes, through their digitalisation; (ii) Just Iren, i.e. implementation of a new operating model in the management of environmental services, starting from Collection and Sweeping, again relying on digitalisation; (iii) Iren Way, i.e. the standardisation and homogenisation of the technical-commercial processes and systems of the Networks Business Unit; (iv) Repowering Turbigio, i.e. the implementation of plant modifications to improve production efficiency and flexibility, in compliance with environmental standards. All these projects, on a multi-year basis, have specific economic, qualitative and time-related targets for each year, which have been assessed for the purpose of this objective.

¹⁶ The sustainability/ESG indicators referred to in the objective are as follows: (i) Increase in CO2 avoided by waste recovery; (ii) Increase in energy produced by WTE; (iii) Increase in volume of district heating; (iv) Reduction in water losses; (v) Improvement in *customer satisfaction* rate of EE/Gas sales services; (vi) Reduction in accident frequency rate; (vii) Maintenance or increase in % of women out of total number of employees. The above indicators' performance is discussed in detail in the 2020 Sustainability Report (Consolidated non-financial statement under Legislative Decree no. 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 assessment subject for the objective under review.

Current Pay-mix
for the Chief Executive Officer and General Manager on an annual basis - FY 2020



During 2020, in line with the IREN Board of Directors resolution of 2 July 2019 and with company policies and practices, the IREN Chief Executive Officer and General Manager was granted, as non-monetary benefits, a company car, the use of leased housing, executive injury insurance for the 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 (granted to executives as of 1 July 2019), as well as corporate insurance coverage in the area of professional civil liability towards third parties (so-called "third party" insurance). D&O Policy), as a member of the Board of Directors. For 2020, a specific welfare amount was also granted to the Chief Executive Officer and General Manager.

Senior Executives with Strategic Responsibilities

For all or part of 2020, seven people (Directors of the Business Units, Directors of Administration, Finance and Control and Directors of Personnel, Organisation and Information Systems of the Company) held Senior Executive's position with Strategic Responsibilities of the Group.

Below are the remuneration packages implemented during 2020 for these individuals, in aggregate form. Concerning the remuneration package of the Group's Senior Executives with Strategic Responsibilities, for 2020, this was made up of a Gross Annual Remuneration and a short-term variable remuneration set (in the average amount) at approximately 37.6% of the aforementioned fixed remuneration.

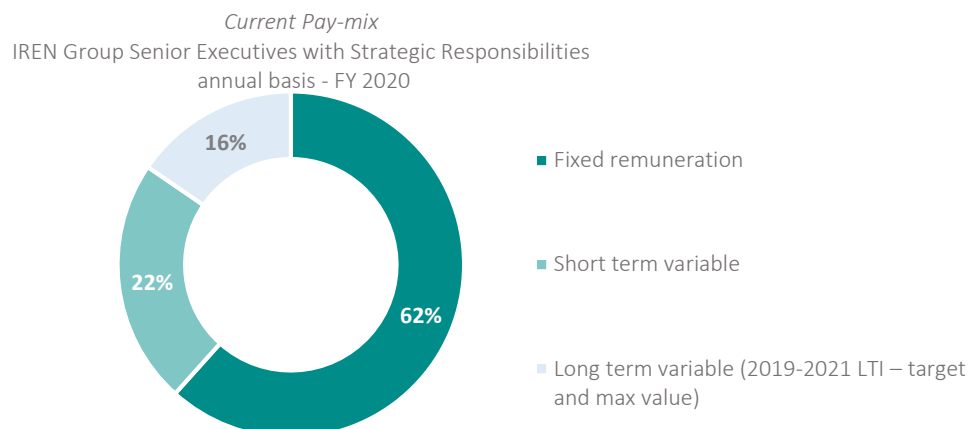
Taking into account the transfer requirement, the (fixed and variable) compensation established for taking on the position of Director with powers for Companies in the Group, or in relation to strategic organisational positions held within the Group was recognised as an ad hoc item included in remuneration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

The annual individual incentive for the Group's Senior Executives with Strategic Responsibilities for the 2020 financial year will be paid based on the positive evaluation, by the Chief Executive Officer and General Manager of the Company, following a preliminary assessment by the RAC, at its meeting of 1 April 2021, of the achievement of the objectives defined for that year for that category of persons, to an average of 105.2%.

Also, for the IREN Group's Senior Executives with Strategic Responsibilities, the Committee acknowledged the occurrence of the conditions for the activation of the corrective factor for individual results linked to the achievement of the Group's EBITDA and OCF Levered values (and of the Networks Business Unit – as far as the individuals who hold the role of Independent Operators are concerned) referred to in the Remuneration Policy Guidelines for the reference financial year, against an average individual target result of 92.88%. This assessment took into account the waiver of the remuneration policy approved in 2020 and described below, which was activated for one person only.

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

IREN Group Senior Executives with Strategic Responsibilities are included among recipients of the 2019-2021 Long Term Monetary Incentive Plan approved by the IREN Board of Directors on 27 November 2018, recognising a monetary incentive at the end of the vesting period equal to 75% of the respective Gross Annual Salary.



The following were also recognised as non-monetary fringe benefits: the mixed-use of a car, accident insurance for Group Senior Executives and, in one case, the use of rented housing, life insurance for IREN Group Senior Executives (in the event of death or permanent disability), and insurance coverage for professional civil liability towards third-parties (so-called D&O policy), coverage in the area of civil liability of the head of the family (recognised to executives as of 1 July 2019), and participation in the welfare plan provided for all Senior Executives, with an increase in the specific amount, in a total compensation logic.

Malus and Clawback

In 2020, the Group activated no ex-post correction mechanisms of the variable component concerning the Chief Executive Officer and General Manager of IREN and other Senior Executives with Strategic Responsibilities of the IREN Group.

Severance indemnities for end of office or termination of employment

During 2020, no termination indemnities were approved and/or paid to IREN Directors.

In 2020, in execution of the agreements in place within the IREN Group pursuant to Article 4 of Law 92/2012 (so-called Fornero Law), there was the consensual termination of the employment relationship between an Senior Executive with Strategic Responsibilities of the Group and the Company, effective as of July 1, 2020.

In more detail, the parties signed a report of conciliation report with the trade unions according to articles 2113, paragraph 4, of the Italian Civil Code, 410 and 411, paragraph 3, of the Italian Code of Civil Procedure, based on those already used for the termination of other Senior Executives to whom the "Isopensione" scheme was applied. The Group first submitted these minutes to the IREN Remuneration and Appointments Committee for its preliminary investigation and Related Party Transactions regulations.

Derogation from the approved remuneration policy for 2020.

With resolutions adopted on 4 August and 29 September 2020, availing itself of the power described in Section One of the Report on the 2020 Remuneration Policy and the 2019 compensation paid and following what is expressed therein, the Board of Directors of IREN, after preliminary investigation by the Company's Remuneration and Appointments Committee, approved an adjustment to the policy described in the same Report and adopted for 2020, with specific reference to the incentive mechanisms and the reporting methods envisaged under the short-term incentive scheme for 2020 assigned to company management - including the Chief Executive Officer and General Manager of IREN as well as the Managers with Strategic Responsibilities of the IREN Group, in the terms outlined below:

- in the event of a result of the "individual objectives" section lower than 70%, elimination, for all beneficiaries of the short-term incentive system, of the minimum threshold for the payment of the incentive, against a 5% penalty to be applied on the product of the factors set out below (Result of individual objectives * K factor);
- to retain strategic resources and, in particular, of providing an incentive for a rapid recovery of the results expected in the current financial year with a view to the Company's resilience to external

factors, the possibility of paying, in 2022, a bonus equal to 50% of the difference between the final percentage of actual achievement of the objectives in 2020 and the 100% target for the same year, subject to the entire achievement of the individual objectives assigned for the year 2021 and described in Section One of this Report.

The decision was taken in light of the exogenous and exceptional factors due to changes in the context that occurred in the first half of 2020 following the COVID-19 health emergency, which led to additional constraints and difficulties in the management of the business, as well as in the execution of activities and the implementation of projects, resulting in an extraordinary contribution from the administration, committed, among other things, to finding new working methods and tools, with a view to flexibility and resilience concerning external factors.

The decision was aimed at providing an incentive to achieve the results expected for 2020 (the original targets of which were not changed), allowing, in the event of full achievement of the individual objectives assigned for 2021, to recover part of the differential compared to the full accomplishment of goals that the Group did not achieve in 2020 due to exogenous and exceptional factors.

Without prejudice to the above, the architecture of the short-term incentive systems for 2020 remained unchanged (*performance* targets; weights; incentive mechanisms; *malus* and *claw-back*; deferral terms).

As stated above, in relation to the percentage of achievement of the 2020 *performance* targets, the derogation:

- has not been applied to the Chief Executive Officer and General Manager of IREN;
- has been applied to only one Senior Executive with Strategic Responsibilities of the IREN Group.

Part Two – Compensation due for 2020

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 2020 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 euros, rounded up)

Name and surname	Office	Period in which office was held	Expiration of office	Fixed remuneration ¹⁷	Fees for participation on Committees ¹⁸	Bonuses and other incentives ¹⁹	Non-monetary benefits ²⁰	Other compensation ²¹	Total annual compensation approved	Severance pay / termination of employment ²²
DIRECTORS IN OFFICE AT 31 DECEMBER 2020										
Renato Boero	Chairperson	01/01-31/12/2020	Appr. Bal. 2021	173	-	-	3.8	-	176.8	-
Massimiliano Bianco	CEO and General Manager	01/01-31/12/2020	Appr. Bal. 2021	329	-	104.6	14.6	-	448.2	-
Moris Ferretti	Deputy Chairperson	01/01-31/12/2020	Appr. Bal. 2021	127.8	-	-	-	-	127.8	-
Sonia Maria Margherita Cantoni	Director	01/01-31/12/2020	Appr. Bal. 2021	38	5.85	-	-	-	43.85	-
Enrica Maria Ghia	Director	01/01-31/12/2020	Appr. Bal. 2021	23	5.85	-	-	-	28.85	-
Pietro Paolo Giampellegrini	Director	01/01-31/12/2020	Appr. Bal. 2021	73	11	-	-	-	84	-
Sonia Maria	Director	01/01-31/12/2020	Appr. Bal. 2021	38	5.85	-	-	-	43.85	-
Francesca Grasselli	Director	01/01-31/12/2020	Appr. Bal. 2021	23	5.85	-	-	-	28.85	-
Maurizio Irrera	Director	01/01-31/12/2020	Appr. Bal. 2021	40.4	5.85	-	-	-	46.25	-
Cristiano Lavaggi	Director	01/01-31/12/2020	Appr. Bal. 2021	23	5.85	-	-	-	28.85	-
Ginevra Virginia Lombardi	Director	01/01-31/12/2020	Appr. Bal. 2021	49	5.85	-	-	-	54.85	-
Giacomo Malmesi	Director	01/01-31/12/2020	Appr. Bal. 2021	38	16.85	-	-	-	54.85	-
Gianluca Micconi	Director	01/01-31/12/2020	Appr. Bal. 2021	23	-	-	-	-	23	-
Tiziana Merlino	Director	01/01-31/12/2020	Appr. Bal. 2021	23	-	-	-	-	23	-
Licia Soncini	Director	01/01-31/12/2020	Appr. Bal. 2021	23	11	-	-	-	34	-
Total compensation due to Board of Directors				1,044.1	79.8	104.6	18.4	-	1,246.9	-
AUDITORS IN OFFICE AT 31 DECEMBER 2020										
Michele Rutigliano	Chairperson	01/01-31/12/2020	Appr. Bal. 2020	85	-	-	-	-	85	-
Simone Caprari	Standing Auditor	01/01-31/12/2020	Appr. Bal. 2020	61.7	-	-	-	-	61.7	-
Cristina Chiantia	Standing Auditor	01/01-31/12/2020	Appr. Bal. 2020	69.5	-	-	-	-	69.5	-
Total compensation due to Board of Statutory Auditors				216.2	-	-	-	-	216.2	-
EXECUTIVES WITH STRATEGIC RESPONSIBILITIES²³										
Total compensation for Senior Executives with Strategic Responsibilities				1,261.2	-	459.2	12.2	20	1,752.6	-
of which IREN				1,261.2	-	459.2	12.2	20	1,752.6	-
of which subsidiaries/associated companies				-	-	-	-	-	-	-

¹⁷ 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 article 2389, paragraph 3, 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.

¹⁸ The Group should note that the Board of Directors' meeting of 4 June 2019, within limits set by the Shareholders' Meeting, awarded compensation of €11,000 per year gross for the Chairperson of an internal board committee €5,850 per year gross for the member positions. See **Table 3 below** for an indication of the Committees of which the director is a member along with the compensation, on an accruals basis, due for participation in them during the reference periods.

¹⁹ The column "Bonuses and other incentives" includes the portion of remuneration theoretically accrued/*vested*, even if not yet paid, during the year for: (i) long-term incentive (portion accrued during the year) to be paid in 2022 (within six months from the approval of the financial statements for the year 2021 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 Regulations. 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).

²⁰ The amount 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. As they are not taxable, the amounts for life, IP and extra-professional injury insurance collectively stipulated for the IREN Chief Executive Officer and General Manager and the SSRE are not included (estimated at € 24,375) and those for company welfare (€ 30,665 total); additionally, for SSRE, taxable amounts for company cars (€ 20,380 approximately) are eliminated through the corresponding amount withheld from the pay cheque based on Group policy.

²¹ The "Other compensation" column includes the one-off payment made in 2020 to an IREN Group Senior Executive with Strategic Responsibilities as a continuity bonus, subject to his commitment not to terminate his employment relationship by a specific date defined in advance and subject to repayment in the event of termination before the specified term.

²² 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 undertakings shall be disclosed only once at the time of office termination, specifying in the first part of the second Section of the report the duration of the non-competition undertaking and the date of actual payment.

²³ The figure is provided with reference to 7 individuals who served, throughout or part of 2020, 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 periods²⁴

(gross amounts in thousands of euros, rounded up)

Name and Surname	Position Held	Period in which office was held	Expiration of office	BREAKDOWN OF FIXED COMPENSATION					Total fixed compensation
				Emoluments approved by the Shareholders' Meeting	Attendance fee	Fixed remuneration per office	Flat-rate cost reimbursements	Fixed remuneration from employment	
DIRECTORS IN OFFICE AT 31 DECEMBER 2020									
Renato Boero	Chairperson	01/01-31/12/2020	Appr. Bal. 2021	23 ²⁵	-	150 ²⁶	-	-	173
Massimiliano Bianco	CEO and General Manager	01/01-31/12/2020	Appr. Bal. 2021	(23)	-	57 ²⁷	-	272	329
Moris Ferretti	Deputy Chairperson	01/01-31/12/2020	Appr. Bal. 2021	41.7 ²⁸	-	86 ²⁹	-	-	127.7
Sonia Maria Margherita Cantoni	Director	01/01-31/12/2020	Appr. Bal. 2021	38 ³⁰	-	-	-	-	38
Enrica Maria Ghia	Director	01/01-31/12/2020	Appr. Bal. 2021	23	-	-	-	-	23
Pietro Paolo Giampellegrini	Director	01/01-31/12/2020	Appr. Bal. 2021	38 ³¹	-	35 ³²	-	-	73
Sonia Maria	Director	01/01-31/12/2020	Appr. Bal. 2021	38 ³³	-	-	-	-	38
Francesca Grasselli	Director	01/01-31/12/2020	Appr. Bal. 2021	23	-	-	-	-	23
Maurizio Irrera	Director	01/01-31/12/2020	Appr. Bal. 2021	38.6 ³⁴	-	1.8 ³⁵	-	-	40.4
Cristiano Lavaggi	Director	01/01-31/12/2020	Appr. Bal. 2021	23	-	-	-	-	23
Ginevra Virginia Lombardi	Director	01/01-31/12/2020	Appr. Bal. 2021	49 ³⁶	-	-	-	-	49
Giacomo Malmesi	Director	01/01-31/12/2020	Appr. Bal. 2021	38 ³⁷	-	-	-	-	38
Gianluca Micconi	Director	01/01-31/12/2020	Appr. Bal. 2021	23	-	-	-	-	23
Tiziana Merlino	Director	01/01-31/12/2020	Appr. Bal. 2021	23	-	-	-	-	23
Licia Soncini	Director	01/01-31/12/2020	Appr. Bal. 2021	23	-	-	-	-	23
Total fixed compensation, Board of Directors				442.3	-	329.8	-	272	1,044.1
AUDITORS IN OFFICE AT 31 DECEMBER 2020									
Michele Rutigliano	Chairperson	01/01-31/12/2020	Appr. Bal. 2020	85 ³⁸	-	-	-	-	85
Simone Caprari	Standing Auditor	01/01-31/12/2020	Appr. Bal. 2020	61.7 ³⁹	-	-	-	-	61.7
Cristina Chiantia	Standing Auditor	01/01-31/12/2020	Appr. Bal. 2020	69.5 ⁴⁰	-	-	-	-	69.5
Total fixed compensation, Board of Statutory Auditors				216.2	-	-	-	-	216.2
EXECUTIVES WITH STRATEGIC RESPONSIBILITIES									
Total fixed compensation for Senior Executives with Strategic Responsibilities⁴¹				(82)	-	(34)	-	1,261.2	1,261.2
of which IREN				-	-	-	-	1,261.2	1,261.2
of which subsidiaries/associated companies				(82)	-	(34)	-	-	-

²⁴ Compensation not received on the basis of the principle of comprehensive remuneration through the employee relationship is shown in parentheses.

²⁵ It corresponds to the remuneration due as Director of IREN (€23,000 gross per year). For the position of Director of Nord Ovest Servizi S.p.A. there is no provision for the payment of compensation.

²⁶ It corresponds to the remuneration due as Chairperson of IREN (€150,000 gross per year). For the position of Chairperson of Nord Ovest Servizi S.p.A., there is no provision for compensation.

²⁷ It corresponds to the compensation due for the position of IREN Chief Executive Officer.

²⁸ It includes the compensation due as Director of IREN (€ 23,000 gross annual), IREN Energia S.p.A. (€15,000 gross annual), by Studio Alfa S.p.A. from 22 April 2020 (€4,000 gross annual), by STA S.p.A. from 28 November 2020 (€5,000 gross annually) and by UCH Holding s.r.l. from 27 November 2020 (€5,000 gross annually). It should be noted that the compensation for the two offices mentioned above due from the date of their appointment until 31 December 2020 has been donated to CORE Reggio E. (a non-profit organisation).

²⁹ It includes the compensation due as Deputy Chairperson of IREN (€40,000 gross per year), as Chairperson of IREN Mercato S.p.A. (€35,000 gross annual), Chairperson of Studio Alfa S.p.A. from 22 April 2020 (€12,000 gross annual), Chairperson of STA S.p.A. from 28 November 2020 (€15,000 gross annual) as well as Chairperson of UCH Holding s.r.l. from 27 November 2020 (€15,000 gross annual). It should be noted that the compensation for the two offices mentioned above due from the date of their appointment until 31 December 2020 has been donated to CORE Reggio E. (a non-profit organisation).

³⁰ It includes the compensation due as a Director of IREN (€23,000 gross per year), as well as IRETI S.p.A. (€15,000 gross per year).

³¹ It includes the compensation due as Director of IREN (€23,000 gross per year), as well as IREN Mercato S.p.A. (€15,000 gross per year).

³² It corresponds to the compensation payable to the Chairperson of IREN Mercato S.p.A. (€35,000 gross per year).

³³ It includes the compensation due as a Director of IREN (€23,000 gross per year), as well as IREN Energia S.p.A. (€15,000 gross per year).

³⁴ It includes the compensation due as Director of IREN (€23,000 gross per year) and IREN Mercato S.p.A. (€15,000 gross annual) as well as Director of Unieco Ambiente Holding s.r.l. since 17 November 2020 (€5,000 gross annual).

³⁵ It corresponds to the remuneration due for the position of Chairperson of Unieco Ambiente Holding s.r.l. from 17 November 2020 (€15,000 gross per year).

³⁶ It includes the compensation due as Director of IREN (€23,000 gross per year), as well as Chairperson of the Supervisory Board of the associated company ASA S.p.A. (€ 26,000 gross per year).

³⁷ It includes the compensation due as a Director of IREN (€23,000 gross per year), as well as IREN Ambiente S.p.A. (€15,000 gross per year).

³⁸ It includes the compensation due as Chairperson of the Board of Statutory Auditors of IREN (€45,000 gross annual), the compensation due as Statutory Auditor of IRETI S.p.A. and IREN Energia S.p.A. (€20,000 gross per year for each of the aforementioned assignments).

³⁹ It includes the compensation due for the position of Statutory Auditor of IREN (€30,000 gross per year), as well as IREN Ambiente S.p.A. (€20,000 gross annual), IREN Acqua S.p.A. from 24 April 2020 (€15 gross annual) and the Sole Auditor of IREN Ambiente Parma s.r.l. from 21 September 2020 (€5,000 gross annual).

⁴⁰ It includes the remuneration due for the position of Statutory Auditor of IREN (€30,000 gross per year), as well as IREN Mercato S.p.A. (€20,000 gross annual), by AMIAT S.p.A. (€12,000 gross annual) and San Germano S.p.A. (€7,500 gross per year).

⁴¹ The figure is provided with reference to 7 individuals who served, throughout or part of FY 2020, as IREN Group Senior Executives with Strategic Responsibilities, excluding IREN's Chief Executive Officer and General Manager.

Table 3. Details of compensation for participation in Board Committees during the reference periods

(gross amounts in thousands of euros, rounded up)

Name and Surname	Position Held	Period in which office was held	Expiration of office	BREAKDOWN OF COMMITTEE PARTICIPATION			Per capita fees for committee participation
				Participation payments RAC	Participation payments CRSC	Participation payments COPC	
DIRECTORS IN OFFICE AT 31 DECEMBER 2020							
Renato Boero	Chairperson	01/01-31/12/2020	Appr. Bal. 2021	-	-	-	-
Massimiliano Bianco	CEO and General Manager	01/01-31/12/2020	Appr. Bal. 2021	-	-	-	-
Moris Ferretti	Deputy Chairperson	01/01-31/12/2020	Appr. Bal. 2021	-	-	-	-
Sonia Maria Margherita Cantoni	Director	01/01-31/12/2020	Appr. Bal. 2021	-	5.85	-	5.85
Enrica Maria Ghia	Director	01/01-31/12/2020	Appr. Bal. 2021	-	5.85	-	5.85
Pietro Paolo Giampellegrini	Director	01/01-31/12/2020	Appr. Bal. 2021	11	-	-	11
Sonia Maria	Director	01/01-31/12/2020	Appr. Bal. 2021	-	-	5.85	5.85
Francesca Grasselli	Director	01/01-31/12/2020	Appr. Bal. 2021	5.85	-	-	5.85
Maurizio Irrera	Director	01/01-31/12/2020	Appr. Bal. 2021	5.85	-	-	5.85
Cristiano Lavaggi	Director	01/01-31/12/2020	Appr. Bal. 2021	-	5.85	-	5.85
Ginevra Virginia Lombardi	Director	01/01-31/12/2020	Appr. Bal. 2021	-	-	5.85	5.85
Giacomo Malmesi	Director	01/01-31/12/2020	Appr. Bal. 2021	-	11	5.85	16.85
Gianluca Micconi	Director	01/01-31/12/2020	Appr. Bal. 2021	-	-	-	-
Tiziana Merlino	Director	01/01-31/12/2020	Appr. Bal. 2021	-	-	-	-
Licia Soncini	Director	01/01-31/12/2020	Appr. Bal. 2021	-	-	11	11
Total				22.7	28.55	28.55	79.8

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

(gross amounts in thousands of euros, rounded up)

Name and Surname	Position Held	Plan	2. Yearly bonus			3. Bonus, previous years			4. Other bonuses ⁴⁶
			(A) Payable/Disbursed ⁴²	(B) Deferred ⁴³	(C) Deferral period	(A) No longer payable ⁴⁴	(B) Payable/Disbursed ⁴⁵	(C) Still deferred	
DIRECTORS IN OFFICE AT 31 DECEMBER 2020									
Massimiliano Bianco	CEO and General Manager	2020 Short-Term Variable Incentive Plan (BoD of 27 February 2020)	104.6	-	-	-	-	-	-
		2019 -2021 Long-Term Monetary Incentive Plan (share attributable to the year) (BoDs of 27 November 2018 and 2 July 2019)	-	95	1 year	-	-	95	-
SENIOR EXECUTIVES WITH STRATEGIC RESPONSIBILITIES⁴⁷									
		2020 Short-Term Variable Incentive Plan	459.2	-	-	-	-	-	-
	of which IREN		459.2	-	-	-	-	-	-
	of which subsidiaries/associated companies		-	-	-	-	-	-	-
		2019 -2021 Long-Term Monetary Incentive Plan (share attributable to the year) (BoD of 27 November 2018)	-	270.9	1 year	-	-	270.9	-
	of which IREN		-	270.9	-	-	-	270.9	-
	of which subsidiaries/associated companies		-	-	-	-	-	-	-

⁴² "Column 2A" shows the bonuses accruing during the year for objectives achieved during the year, disburseable after verification by the relevant bodies of effective achievement, with payment deferred 3 months after approval of the 2020 Financial Statements by the Shareholders' Meeting. The amount shown includes the amount resulting from the activation of the individual performance adjustment factor linked to EBITDA and OCF Levered results.

⁴³ "Column 2B" shows the long-term incentive (portion accruing during the year) that will be disbursed in 2022 (6 months after approval of the financial statements for 2021 by the Shareholders' Meeting) against achievement of 100% of the objectives established, and complying with all the conditions set out in the Plan Regulation.

⁴⁴ "Column 3A" shows the sum of bonuses deferred in previous years to be disbursed at the beginning of the financial year and no longer payable due to non-achievement of the underlying conditions.

⁴⁵ "Column 3B" shows the sum of bonuses deferred in previous years still to be disbursed at the beginning of the year and either disbursed during the year or still payable.

⁴⁶ The column "Other Bonuses" shows bonuses accruing during the year and not explicitly included in specific plans defined before the fact.

⁴⁷ The figure is provided regarding the 6 Executives with Strategic Responsibilities, excluding the Chief Executive Officer and General Manager, who held the entire year 2020. Compared with the previous year, the amounts shown in Columns 2B and 3C do not include the part relating to an IREN Group executive with strategic responsibilities for whom, in 2020, his employment relationship was terminated by mutual consent under Article 4 of Law 92/2012 (the so-called Fornero Law).

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 2019	Shares acquired	Shares sold	Shares held at end of 2020
DIRECTORS IN OFFICE AT 31 DECEMBER 2020						
Renato Boero	Chairperson	-	-	-	-	-
Massimiliano Bianco	CEO and General Manager	IREN	50,000	50,000	50,000	50,000
Moris Ferretti	Deputy Chairperson	-	-	-	-	-
Sonia Maria Margherita Cantoni	Director	-	-	-	-	-
Enrica Maria Ghia	Director	-	-	-	-	-
Pietro Paolo Giampellegrini	Director	-	-	-	-	-
Sonia Maria	Director	-	-	-	-	-
Francesca Grasselli	Director	-	-	-	-	-
Maurizio Irrera	Director	-	-	-	-	-
Cristiano Lavaggi	Director	-	-	-	-	-
Ginevra Virginia Lombardi	Director	-	-	-	-	-
Giacomo Malmesi	Director	-	-	-	-	-
Gianluca Micconi	Director	-	-	-	-	-
Tiziana Merlini	Director	-	-	-	-	-
Licia Soncini	Director	-	-	-	-	-
AUDITORS IN OFFICE AT 31 DECEMBER 2020						
Michele Rutigliano	Chairperson	-	-	-	-	-
Simone Caprari	Standing Auditor	-	-	-	-	-
Cristina Chiantia	Standing Auditor	-	-	-	-	-
Donatella Busso	Supplementary Auditor	-	-	-	-	-
Marco Rossi	Supplementary Auditor	-	-	-	-	-
7 SENIOR EXECUTIVES WITH STRATEGIC RESPONSIBILITIES⁴⁸		IREN	94,690	29,700	-	124,390

⁴⁸ The figure is provided in cumulative form, as established in form 7-ter of the CONSOB Issuer Regulations, with reference to 7 individuals who, for all or part of 2020, 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:

- binding on Section One of the 2021 Report on Remuneration Policy, referring to the Company's policies on the remuneration of the members of the management bodies, of the control body (without prejudice to the provisions of Article 2402 of the Italian Civil Code), and the Senior Executives with Strategic Responsibilities for the current financial year and the procedures used for the adoption and implementation of such policy;
- a consulting vote on Section Two of the Report with reference to compensation paid during 2020.

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:

- a favourable vote on Section One ("2021 Remuneration Policies") of the Report on the 2021 Remuneration Policy and on Compensation Paid in 2020, adopting the following resolution:
"The Shareholders' Meeting,
 - *acknowledging the Report on the 2021 Remuneration Policy and Compensation Paid in 2020, prepared by the Board of Directors, in application of that established under article 123-ter of Italian Legislative Decree 58/98, as amended, and the indications found in article 84-quater introduced by CONSOB in the Issuer Regulations with resolution 18049 of 23 December 2011, as amended;*
 - *examined in particular "Section One" relating to the Company's 2021 remuneration policy for the members of the Board of Directors, the Board of Statutory Auditors and the Senior Executives with Strategic Responsibilities and the procedures used to adopt and implement this policy, including for cases of temporary derogation 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 ("2021 Remuneration Policies") of the Report on the 2021 Remuneration Policy and on Compensation Paid in 2020".
- additionally, relative to Section Two ("Compensation paid in 2020") of the Report on the 2021 Remuneration Policy and on Compensation Paid in 2020, 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 2021 Remuneration Policy and on Compensation Paid in 2020, prepared by the Board of Directors, in application of that established under article 123-ter of Italian Legislative Decree 58/98, as amended, and the indications found in article 84-quater introduced by CONSOB in the Issuer 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 article 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 2020") of the Report on the 2021 Remuneration Policy and on Compensation Paid in 2020".

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 not appointed to particular positions by the Board of Directors and without management powers.

Independent directors:

IREN Directors who meet the independence requirements outlined in art. 148, paragraph 3, TUF and Article 2 of the Corporate Governance Code (according to the Company's governance solutions).

Benefits (or fringe benefits)

These are the elements included in the non-monetary component of remuneration aimed at increasing the individual and family well-being of workers in economic and social terms. This category includes all resources used to meet social security and welfare needs (supplementary pensions, health care, insurance coverage) and so-called perquisites, which consist of goods and services that IREN makes available to its employees.

Malus and claw-back clauses

Contractual clauses that allow the Company to demand the return, entirely or partially, of 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 (including the Chairperson). It has a proposal and consultative role towards the Board of Directors regarding the remuneration of Directors and Senior Executives with Strategic Responsibilities. In particular, among other things, the Committee submits the annual Remuneration Report to the Board for approval, makes proposals or expresses opinions on remuneration matters and, also under the RPT Procedure, is responsible for the preliminary investigation of transactions involving the remuneration of Directors and Executives with Strategic Responsibilities of the Group.

Continuity bonus

Bonus, paid in the form of an annual *lump sum*, to increase the *retention* of certain Senior Executives with Strategic Responsibilities.

Sustainability corrective

Mechanism with adverse corrective effects on the accrued bonus, depending on sustainability indicators (Gender diversity, Circular economy, Water resources, Resilient cities), introduced as part of the 2019-2021 LTI Plan.

Senior Executives with Strategic Responsibilities

According to IAS 24, they are "those who have the power and responsibility, directly or indirectly, to plan, direct, and control the "entity's activities.

Apart from the Directors and Statutory Auditors of IREN, as of this Report, 7 individuals hold this position in the IREN Group.

EBITDA (Earnings Before interest, tax, depreciation and amortization)

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

Accumulated EBITDA

The EBITDA performance indicator trend is measured as the sum of the official closing values of the individual years' financial statements for the entire duration of the 2019-2021 LTI Plan.

Gate (or "gates")

Binding conditions introduced into the variable incentive systems in place for IREN's Chief Executive Officer and the Group's Senior Executives with Strategic Responsibilities to strengthen the consistency of the performance requirements and alignment of behaviours rewarded by the variable compensation systems.

Group IFL Rating/FFO

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

NFP/EBITDA

The ratio measures the coverage of financial liabilities 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 performance achieved in the previous year concerning the defined objectives, subject to certification by the competent bodies and functions.

Long-term Variable Incentives

The Board of Directors approved the 2019-2021 LTI Monetary Plan. This Plan entitles participants to receive a monetary award to be paid, subject to verification of achievement, concerning the results achieved at the end of the vesting period (see Vesting).

End of mandate (or office) indemnity

Monetary amount payable to the Director upon termination of employment.

Severance pay

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

Investments

The indicator is measuring short term and future growth and 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.

Cumulative investments

Performance of the Investment indicator measured as the sum of the official closing balance sheet values for the individual years over the life of the 2019-2021 LTI Plan.

Investment Grade

Indicator of the reliability of shares 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- and long-term variable incentive systems of IREN's Chief Executive Officer and Senior Managers with Strategic Responsibilities.

Guidelines on remuneration policy for senior executive directors and key management personnel of the Group

This document regulates the Company's policy regarding the individuals' remuneration as mentioned above during the reference periods. It is adopted by the Board of Directors, after preliminary investigation by the Remuneration and Appointments Committee, in compliance with the Corporate Governance Code and under and for the RPT Procedure and preliminary to the preparation of this Report.

Target level

It is the level of target achievement that entitles the individual to 100% of the incentive.

Correction factor "K"

Multiplier or demodulator of the percentage value achieved in the individual objectives section, to consider and incentivise value by the Group concerning the planned targets.

All-inclusive remuneration

It is the Principle, last confirmed by the Annual General Meeting held on 22 May 2019, at the same time as the appointment of the governing body of the Company for the term 2019-2021, which applies to all employees of the Group, that all corporate positions held within companies/entities of the Group shall be held without any further remuneration/repayment of the same, as they are part of the duties.

With reference to the board of directors' current composition, 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 charges/income, and Net Working Capital changes.

Cumulative levered Operating Cash Flow

Performance of the levered Operating Cash Flow indicator measured as the sum of the levered OCFs based on the official closing values of the individual years' financial statements for the entire duration of the 2019-2021 LTI Plan.

Related-Party Transactions Committee

Transactions qualified as such under and for the Regulation containing provisions on related party transactions, adopted by Consob with resolution no. 17221 of 12 March 2010, as amended and supplemented.

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 paid after achieving the objectives.

Remuneration policies

This is the set of remuneration programmes in terms of fixed and variable remuneration implemented at a corporate level to support strategic objectives.

Issuers' Regulation

This is CONSOB Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions containing the rules relating to financial instruments' issuers.

Variable Remuneration

It consists of the short-term variable incentive and the long-term incentive.

Gross Annual Remuneration (GAR)

It includes all fixed annual remuneration, gross of taxes, and social security charges for the employee's part. It, therefore, does not include yearly bonuses, other bonuses, allowances, fringe benefits, expense reimbursements, and any other form of variable or occasional remuneration.

Stakeholders

All subjects, individuals or organisations, actively involved in an economic initiative (project, Company), whose interest is negatively or positively influenced by the result of the execution, or the performance, of the initiative and whose action or reaction, in turn, affects the stages or the completion of a project or the destiny of an organisation.

Once again, for 2020, the performance indicators relating to the short-term variable incentive schemes for IREN's Chief Executive Officer and General Manager in office and the IREN Group's Managers with Strategic Responsibilities consider the stakeholder relations profile.

Consolidated Finance Act (TUF)

The Consolidated Law on Financial Intermediation is the Legislative Decree 58 of 24 February 1998 (and subsequent amendments). The Consolidated Law on Finance has introduced legislation on financial matters based on principles, which sets out only the general guidelines at the level of primary legislation, 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

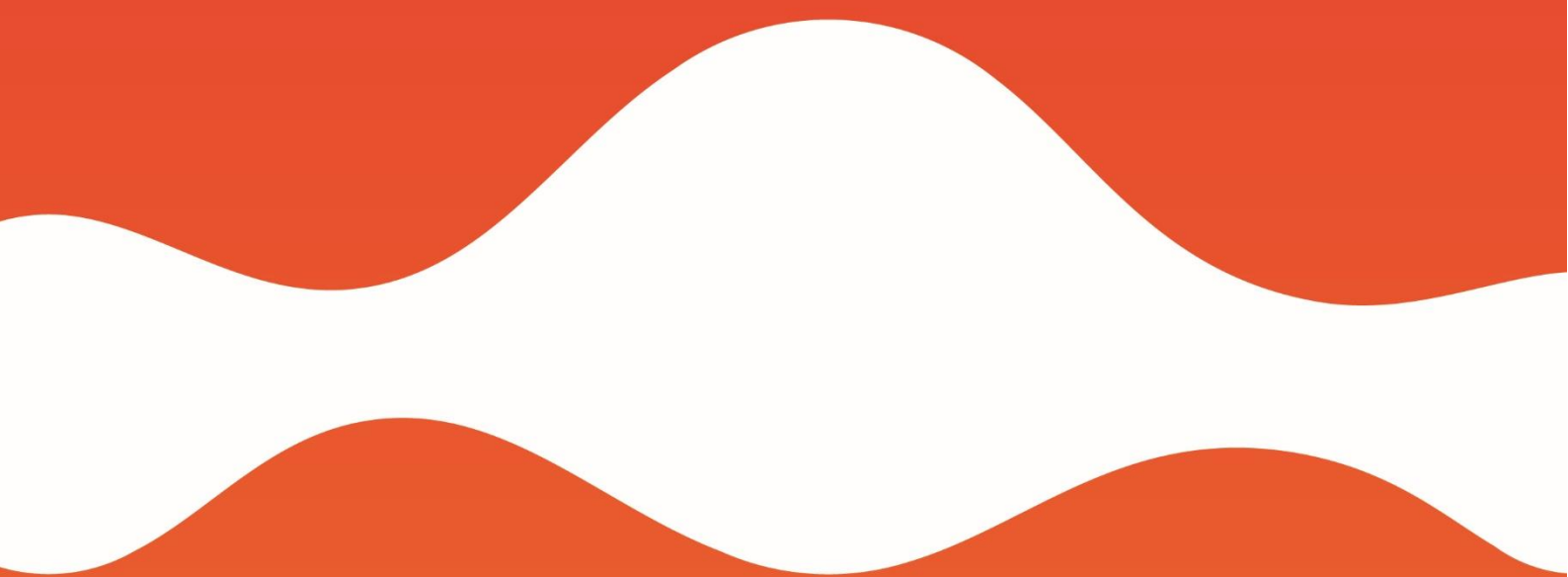
Period between the award and the completion of the ownership of the right to receive the prize.

Analytical index by subject

Issue Reg.	Required information	Page Ref
SECTION ONE		
A	The organisations or individuals involved in the preparation, approval and possible revision of the remuneration policy, specifying their respective roles, along with the organisations or individuals responsible for the correct implementation of this policy.	pp. 17-20
B	The possible involvement of a remuneration committee or other Committee competent in the matter, describing its composition (with a distinction between non-executive and independent directors), its powers and operating procedures, and any further measures aimed at avoiding or managing conflicts of interest.	pp. 18-22
C	How the Company has taken into account its employees' compensation and working conditions in determining its compensation policy.	pp. 7
D	The name of any independent experts involved in the preparation of the Remuneration Policy.	pp. 22-23
E	The aims pursued by the remuneration policy, the principles underlying it, its duration and, in the event of a review, a description of the changes to the remuneration policy last submitted to the Shareholders' Meeting and how such review takes into account the votes and assessments expressed by shareholders at that meeting or subsequently.	pp. 23-26
F	The description of the policies regarding fixed and variable remuneration components, with particular regard to the indication of the relative proportionality within the total remuneration and distinguishing between short and medium-long term variable components.	pp. 29-37
G	The policy followed with regard to non-monetary benefits.	pp. 13; 31; 34
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, based on which they are assigned, distinguishing between short and medium to long-term variable components, and information on the link between the change in performance and the change in remuneration.	pp. 29; 36
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 achievement level of the objectives.	pp. 29; 36
J	Information aimed at highlighting the contribution of the remuneration policy, particularly the policy on variable components of remuneration, to the Company's strategy, the pursuit of long-term interests and the sustainability of the Company.	p. 23-25
K	The <i>vesting</i> periods, deferred payment systems, if any, with an indication of the deferral periods and the criteria used to determine those periods and, if any, the mechanisms for <i>ex post</i> correction of the variable component (<i>malus</i> or <i>claw-back</i> of variable compensation).	pp. 29-31; 32-37
L	Information on whether there is any provision for retaining the financial instruments in the portfolio after their acquisition indicates the retention periods and the criteria used to determine those periods.	-
M	The policy relating to treatment in the event of termination of office or termination of employment, in accordance with the Issuers' Regulations.	pp. 27-28; 31; 34
N	Information on the presence of any insurance, or social security or pension coverage, other than compulsory coverage.	pp. 27; 30; 34
OR (i)	Any remuneration policy followed with reference to independent directors.	p. 27
OR (ii)	The remuneration policy, if any, followed with reference to participation in committees.	p. 27
O (iii)	The remuneration policy possibly followed with reference to the performance of particular duties (Chairperson, Deputy Chairperson, etc.).	pp. 27-28
P	Whether the remuneration policy has been defined using the remuneration policies of other companies as a reference and the criteria used to select those companies.	pp. 37-38
Q	The elements of the remuneration policy from which, in the presence of exceptional circumstances, it is possible to derogate and, without prejudice to the provisions of Regulation no. 17221 of 12 March 2010, any additional procedural conditions under which the derogation may be applied.	p. 38
2	Regarding the members of the control bodies, without prejudice to the provisions of Article 2402 of the Italian Civil Code (...) any criteria for determining remuneration. If the outgoing control body, given the formulation by the shareholders of proposals to the shareholders' meeting regarding the remuneration of the control body, has sent the Company detailed information on the quantification of the commitment required to carry out the task, (...) a summary of such detailed information.	pp. 26-27
SECTION TWO		
FIRST PART		
1.1	An adequate, clear and comprehensible representation of each item making up remuneration, including treatments in the event of termination of office or employment, shall be provided, highlighting their compliance with the benchmark 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 targets of the benchmark remuneration policy have been applied. In particular, (...) an indication is provided of the objectives achieved compared to those forecasts, without prejudice to companies' right to omit such information where necessary to protect the confidentiality of commercially sensitive information or	pp. 40-45

unpublished forecasts, giving reasons for this. An indication is also provided of the proportion between fixed and variable compensation within total remuneration, specifying the elements included in the calculation and referring to the Tables contained in the second part of this Section.

1.2	<p>In case of allocation of indemnities and/or other benefits for termination of office or termination of employment during the year, the companies indicate:</p> <ul style="list-style-type: none"> - the circumstance that justifies its accrual; - compensation at the end of the term of office or termination of employment, distinguishing the portion paid immediately from that which may be subject to deferral mechanisms and also contrasting the components attributed under the office of director from those relating to any employment relationships as well as the components for any non-competition commitments; - the possible presence of <i>performance</i> criteria to which the award of the allowance is linked; - 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; - the possible existence of agreements that provide for 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; - any other remuneration awarded for any reason and in any form; - compliance of the indemnity and/or other benefits with the indications contained in the benchmark remuneration policy. 	p. 44
1.3	<p>Companies shall provide information on any exceptions to the remuneration policy applied in exceptional circumstances, indicating (for each of them):</p> <ul style="list-style-type: none"> - the specific items waived and the benchmark remuneration policy in which the option to waive was provided for; - information on the nature of the exceptional circumstances, including an explanation of how the exemption is necessary to pursue the long-term interests and sustainability of the Company as a whole or to ensure its ability to stand on the market; - information on the procedure followed and confirmation that this procedure complies with the conditions set out in the benchmark remuneration policy; - information on the remuneration paid in such exceptional circumstances. 	pp. 44-45
1.4	<p>Companies shall provide information on the possible application of <i>ex-post</i> correction mechanisms of the variable component (<i>malus</i> or <i>claw-back</i> of variable compensation), indicating in brief the reasons, the amount subject to correction and the reference year of the compensation subject to the measures.</p>	p. 44
1.5	<p>Companies provide comparative information, for the last five fiscal years or the shorter period that the Company has been listed or the individuals have been in office, between the annual change:</p> <ul style="list-style-type: none"> - the total remuneration of each of the individuals for whom the information in this Section of the Report is provided by name; - of the company's performance; - the average gross annual compensation computed based on full-time employees, of employees other than those whose compensation is shown by name in this Section of the Report. 	p. 14
1.6	<p>The companies provide information on how they took into account the vote cast by the shareholders' meeting on the second Section of the Report for the previous year.</p>	pp. 14-15
SECOND PART		
1.2	<p>Details are given of the compensation paid during the year for any reason and in any form by the Company and its subsidiaries and associates.</p>	pp. 40-50



The logo for 'iren' features a white wavy line above the lowercase text 'iren' in a clean, sans-serif font.