

FRONTIS GOVERNANCE'S DIALOGUE WITH ISSUERS 2022 SEASON

In line with its communication policy, Frontis Governance considers an ongoing dialogue with issuers and shareholders as a primary tool to improve mutual knowledge of corporate governance practices and guidelines. Frontis Governance promotes engagement activities outside the proxy season, in order to have an effective impact on the alignment between the issuers' practices and shareholders' expectations.

In 2022, Frontis Governance was involved in 20 engagement activities as part of its proxy advisory activities. In addition, Frontis Governance held 4 additional meetings with Italian listed companies as part of its support to engagement activities of institutional investors.

On aggregate, Frontis Governance held 24 engagement activities (unchanged from 2021), exclusively through telematic means, with 14 out of 46 Italian listed companies included in its universe of analysis.

58% of engagement activities (14) were carried out in the first quarter of the year, before the proxy season, and only 17% (4) in the second quarter, during the proxy season. The remaining 25% of engagement meetings (6) were held in the fourth quarter of the year, and mainly regarded follow-up discussions on the past proxy season, extraordinary general meetings and preparatory activities for the 2023 proxy season.

Main topics of discussion were (% on 24 meetings):

1. Remuneration of executives (92% of meetings), mostly concerning the definition of performance targets related to sustainability (36%) and incentive plans (32%);
2. Composition, appointment and regulations of corporate bodies (38%);
3. Strategies related to environmental sustainability (42%);
4. Strategies related to social sustainability (21%);
5. Employee share ownership plans (21%);
6. Financials, shareholder remuneration and business plan (13%);
7. Extraordinary transactions and M&A (4%).

The following is the list of engagement activities carried out by Frontis Governance in 2022 with Italian listed companies:

SAIPEM

January 21st, videoconference.

Main topics covered:

- Remuneration policy: new incentive plan.

TERNA

January 25th, videoconference.

Main topics covered:

- Remuneration policy;
- ESG-related targets in incentive plans.

PRYSMIAN

January 28th, videoconference.

Main topics covered:

- Decarbonization plan;
- Incentive plans and link with ESG-related targets;
- Employee share ownership plans;
- Company's targets in terms of social sustainability.

November 24th, videoconference.

Main topics covered:

- Employee share ownership plans;
- Incentive plans for Group executives;
- Succession plans.

ITALGAS

February 1st, videoconference.

Main topics covered:

- Energy transition: gas network's efficiency plans;
- Gender and generational equality;
- Dividend policy;

- Acquisition of the Greek company DEPA;
- Remuneration policy.

ENEL

February 8th, videoconference.

Main topics covered:

- Dividend policy;
- Changes in the remuneration policy and ESG-related performance criteria;
- Composition of the Board of Directors.

October 17th, videoconference, as part of Frontis Governance's support to institutional investors' engagement activities.

Main topics covered:

- Updates on net zero emissions and energy transition plans, considering the impacts of Russia's invasion of Ukraine and increasingly frequent droughts;
- New Enel's plan for biodiversity protection;
- Executive remuneration: criticalities related to the ratio between the CEO's total remuneration and average wages and salaries paid to Group's employees.

A2A

February 9th, videoconference.

Main topics covered:

- Amendments to the remuneration policy and link between variable remuneration and ESG-related targets.

April 8th, videoconference.

Main topics covered:

- Remuneration policy;
- New long-term incentive plan.

MEDIOBANCA

February 10th, videoconference, as part of Frontis Governance's support to institutional investors' engagement activities.

Main topics covered:

- Integration of risks generated by climate change and environmental disasters in credit assessment and non-financial risks management;
- Responsible investment policies of Group's asset management companies;
- Procedures to prevent money laundering and corruption;
- Remuneration policy;
- Composition of the Board of Directors.

June 13th, videoconference.

Main topics covered:

- Composition of the Board of Directors: appointment of a Lead Independent Director;
- Amendments to the remuneration policy and link between variable remuneration and ESG-related targets;
- Net zero emissions plan and integration of environmental criteria in non-financial risks management;
- Sustainability governance;
- Gender equality targets.

September 29th, videoconference.

Main topics covered:

- Amendments to the remuneration policy;
- Definition of remuneration paid in fiscal year 2021-2022;
- Climate change mitigation activities: Net-Zero Banking Alliance membership, adhesion to TCFD, assessment of emissions in loan and investment portfolios, risk analysis in compliance with EU taxonomy.

ATLANTIA

February 17th, videoconference.

Main topics covered:

- Remuneration policy;
- Employee share ownership plan;
- Say on Climate vote at 2022 AGM.

FINECOBANK

February 18th, videoconference.

Main topics covered:

- ESG-related targets in variable remuneration plans;
- Amendments to the remuneration policy.

UNICREDIT

February 22nd, videoconference.

Main topics covered:

- Amendments to the remuneration policy and new incentive plans.

TELECOM ITALIA

February 23rd, videoconference.

Main topics covered:

- Amendments to the remuneration policy and new incentive plans.

October 14th, videoconference, as part of Frontis Governance's support to institutional investors' engagement activities.

Main topics covered:

- Corporate governance: improvement of communication flow between management and non-executive Directors and strengthen involvement of non-executive Directors in supporting the management;
- Mitigation and management of risks generated by anti-competitive behaviours and abuses of dominant position;
- Innovation plans for the phone network;
- Employment protection in Telecom Group's reorganization plans;
- Severance policy for the CEO.

POSTE ITALIANE

March 9th, videoconference.

Main topics covered:

- Remuneration policy and ESG-related targets used to calculate variable remuneration;

- Gender equality;
- Composition of the Board of Statutory Auditors;
- Indirect emissions' reduction plans.

ENI

March 23rd, videoconference.

Main topics covered:

- Decarbonization and energy efficiency strategies;
- Eni Group's reorganization plan;
- Impacts of Russia's invasion of Ukraine on the Group's plans;
- Remuneration policy.

April 14th, videoconference.

Main topics covered:

- Remuneration policy and definition of variable remuneration paid in fiscal year 2021.

November 7th, videoconference, as part of Frontis Governance's support to institutional investors' engagement activities.

Main topics covered:

- Updates on the oil spill in Basilicata in 2017 (considering the liability actions proposed by local community associations at last AGMs) and in the Liverpool Bay area in 2022;
- Waste reduction and efficiency management plans;
- Updates on the investment plans dedicated to energy transition and net zero emissions strategy.

ASSICURAZIONI GENERALI

March 25th, videoconference with the nominee Chairman and CEO proposed by the shareholder CALTAGIRONE at the 2022 AGM.

Main topics covered:

- Strategic plan proposed by the candidate CEO;
- Proposed amendments to Assicurazioni Generali's corporate governance;
- Presentation of the slate of nominees proposed by the shareholder Caltagirone.

April 4th, videoconference with representatives of Assicurazioni Generali's Board of Directors.

Main topics covered:

- Procedures for the definition of the slate of nominees proposed by the Board;
- Presentation of the Board's slate of nominees;
- Amendments to the remuneration policy and link between variable remuneration and ESG-related targets;
- Employee share ownership plan.

December 1st, videoconference.

Main topics covered:

- New composition of the Board and internal Committees after the 2022 AGM;
- Remuneration policy;
- Updates on the employee share ownership plan.