

The logo for Falck Renewables is centered in the upper half of the page. It features the word "Falck" in a bold, dark green sans-serif font. Below it, the word "Renewables" is written in a lighter green, lowercase sans-serif font, with the "Renew" part in a slightly lighter shade than "ables". The background of the entire page is a large, intricate pattern of thin, light green concentric lines that form a series of overlapping, organic shapes, resembling a fingerprint or a topographic map. The overall color palette is green and white, with a dark green vertical bar on the left edge.

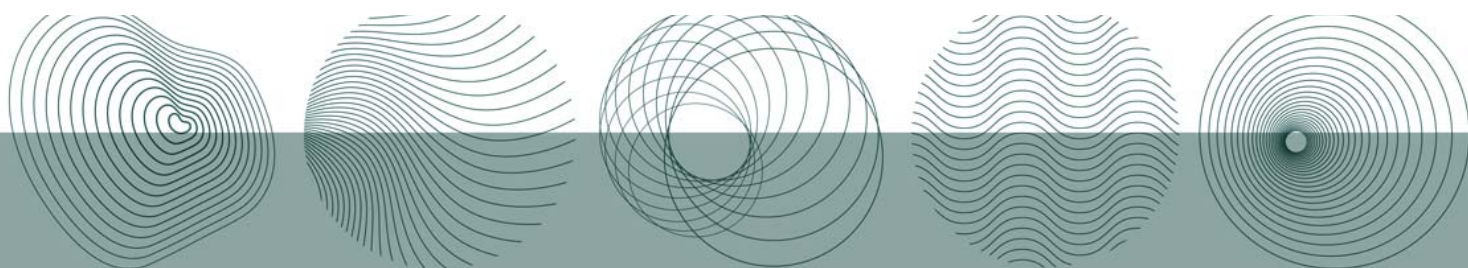
# Falck Renewables

**PURE POWER TO GROW**

**DIRECTORS' REPORT ON THE ITEM ON THE AGENDA**

**ORDINARY SHAREHOLDERS' MEETING  
29/30 APRIL 2021**

*(Report prepared in accordance with Article 125-ter of "TUF" and Articles 73 and 84-ter of Issuers' Regulation)*



**FALCK RENEWABLES**

[www.falckrenewables.com](http://www.falckrenewables.com)

Dear Shareholders,

In compliance with Article 125-*ter* of Legislative Decree No. 58 of 24 February 1998, ("**Consolidated Financial Act**") as later amended, and with Articles 73 and 84-*ter* of the regulation implementing the TUF regarding regulation of issuers, adopted by Consob with Resolution No. 11971 of 14 May 1999, as later amended, (the "**Issuers' Regulation**"), the Board of Directors of Falck Renewables S.p.A (the "**Company**" or the "**Issuer**") hereby provides you with a report (the "**Report**") explaining the items on the agenda for the Shareholders' Meeting convened in ordinary session – by notice published on **30 March 2021** on the Company's website (<https://www.falckrenewables.com/en/corporate-governance/shareholders-meetings#29-04-2021>) and on the authorized storage system "eMarket STORAGE" (available at [www.emarketstorage.com](http://www.emarketstorage.com)), and for extract on the newspaper "MF/Milano Finanza" – at Company's offices in Milan (Italy), Corso Venezia 16, on **April, 29 2021 at 11 a.m.**, on first call, and, if necessary, on April 30, 2021, on second call, same time and location (the "**Shareholders' Meeting**").

In particular, the **agenda** for the above Shareholders' Meeting is the following:

1. Annual financial Report at 31 December 2020:
  - 1.1 approval of the Financial Statements at 31 December 2020, together with the Board of Directors' Report on Operations, the Statutory Auditors' Report and the Legal Auditing Firms' Report: related and consequent resolutions. Presentation of the Consolidated Financial Statements at 31 December 2020;
  - 1.2 proposed allocation of the profit for the year and dividend distribution to Shareholders: related and consequent resolutions.
2. Annual report on the remuneration policy and compensation paid:
  - 2.1 Approval of the "2021 Remuneration Policy" contained in Section I, pursuant to Article 123-*ter*, paragraph 3-*bis*, of Legislative Decree no.58/98;
  - 2.2 consultative vote on the "compensation paid in 2020" indicated in Section II, pursuant to Article 123-*ter*, paragraph 6, of Legislative Decree no.58/98.
3. Proposal of adjustment of remuneration of the Legal Auditing Firm PricewaterhouseCoopers S.p.A. for the financial years 2020-2028; related and consequent resolutions

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This Report must be read together with the other separate reports on the proposals concerning the items on the agenda of the Shareholders' Meeting referred to in the text of this Report.

This Report is being filed today and made available to the public on the Company's website (<https://www.falckrenewables.com/en/corporate-governance/shareholders-meetings#29-04-2021>) and on the authorized storage system "eMarket STORAGE" (available at [www.emarketstorage.com](http://www.emarketstorage.com)).

Milan, 30 March 2021

**EXPLANATORY REPORT DRAWN UP IN ACCORDANCE WITH ART. 125-ter OF THE CONSOLIDATED FINANCIAL ACT, ON THE FIRST ITEM ON THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING CONVENED ON 29/30 APRIL 2021**

***Item 1 on the agenda - Annual financial Report as at 31 December 2020:***

- 1.1 approval of the Financial Statements at 31 December 2020, together with the Board of Directors' Report on Operations, the Statutory Auditors' Report and the Legal Auditing Firms' Report: related and consequent resolutions. Presentation of the Consolidated Financial Statements at 31 December 2020;**
- 1.2 proposed allocation of the profit for the year and dividend distribution to Shareholders: related and consequent resolutions.**

To our Shareholders,

we submit the financial statements of Falck Renewables S.p.A. (the "**Company**") as at 31 December 2020 for your approval, as examined and approved by the Board of Directors of the Company in the meeting of 11 March 2021, which close with a net profit of EUR 37,201,670.54.

Please note that any comments on the subject stated in sub-section 1.1 of the agenda of the Shareholders' Meeting are largely contained in the Annual Financial Report as at 31 December 2020 (including the draft Financial Statements and the Consolidated Financial Statements as at 31 December 2020, the Board of Directors' Report on Operations, the Reports of the Board of Statutory Auditors and the Independent Auditors, as well as the certification by the Manager responsible for preparing the company's financial reports pursuant to Art. 154-bis, par. 5 of the of the Consolidated Financial Act) made available to the public on the Company's website <https://www.falckrenewables.com/en/corporate-governance/shareholders-meetings#29-04-2021>, and on the authorised storage mechanism eMarket STORAGE (available at [www.emarketstorage.com](http://www.emarketstorage.com)), together with the additional documents requested by the regulations in force.

In relation to the matters set out in sub-section 1.2 of the agenda of the Shareholders' Meeting, please note that you are also called upon to resolve on the allocation of the above-mentioned net profit for the year of EUR 37,201,670.54 obtained by Falck Renewables S.p.A. in 2020 and the distribution of the dividend.

In this regard, at the above-mentioned meeting held on 11 March 2021, the Board of Directors resolved to propose to the Shareholders' Meeting that the net profit for the year be allocated as follows:

(euro)

At 289,203,891 ordinary shares ( * ) €0,067	19,376,660.70
Retained earnings carried forward	17,825,009.84
<b>Total 2020 profit</b>	<b>37,201,970.54</b>

(\*) net of the 2,210,000 treasury shares.

In the light of the above, we propose the distribution to the Shareholders of a dividend of EUR 0.067 per share, gross of withholding taxes, for a total of EUR 19,376,660.70. The dividend will be payable from 26 May 2021 (payment date), with payment of coupon no. 16 on 24 May 2021 (ex-date). Those who will prove to be the Shareholders of Falck Renewables S.p.A. at the end of the accounting day of 25 May 2021 (record date) will be entitled to a dividend.

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### **Proposed resolution**

To our Shareholders,

In light of the above, the Board of Directors submits the following resolutions to you:

#### **As regards point 1.1:**

*"The Shareholders' Meeting of Falck Renewables S.p.A.,*

- *having taken note of what has been stated by the Board of Directors;*
- *having examined the draft financial statements of Falck Renewables S.p.A. as at 31 December 2020 which show a profit of EUR 37,201,670.54, and the Board of Directors' Report on operations;*
- *having taken note of the information contained in the report of the Board of Statutory Auditors and in the report of the Independent Auditors, as well as the consolidated financial statements as at 31 December 2020 and the certification referred to in Art. 154-bis, par. 5 of Italian Legislative Decree no. 5 of 24 February 1998*

### **RESOLVES**

- (i) *to approve the Financial Statements as at 31 December 2020, which close with a net profit of EUR 37,201,670.54.*

#### **As regards point 1.2**

*"The Shareholders' Meeting of Falck Renewables S.p.A.,*

- *having taken note of what has been stated by the Board of Directors;*
- *having examined the draft financial statements of Falck Renewables S.p.A. as at 31 December 2020, which show a profit of EUR 37,201,670.54, and the Board of Directors' Report on operations;*
- *having taken note of the information contained in the report of the Board of Statutory Auditors and in the report of the Independent Auditors, as well as the consolidated financial statements as at 31 December 2020 and the certification referred to in Art. 154-bis, par. 5 of Italian Legislative Decree no. 5 of 24 February 1998*

## **RESOLVES**

*(i) to allocate the mentioned profit for the year as follows:*

	(euro)
At 289,203,891 ordinary shares (*) €0,067	19,376,660.70
Retained earnings carried forward	17,825,009.84
<b>Total 2020 profit</b>	<b>37,201,970.54</b>

(\*) net of the 2,210,000 treasury shares.

*(ii) to decide that the payment of the dividend will take place as of 26 May 2021 (payment date), with coupon no. 16 being paid on 24 May 2021 (ex-date) and with the date of legitimation to pay the dividend, pursuant to Art. 83-terdecies of the Consolidated Financial Act (record date), on 25 May 2021;*

*(iii) to grant the Chairman of the Board of Directors and the Chief Executive Officer, severally and with the power to delegate to third parties, a mandate to carry out all the activities relating to, resulting from or connected with the implementation of the resolutions referred to in points (i) and (ii)".*

Milan, 30 March 2021

On behalf of the Board of Directors  
The Chairman – Enrico Falck



**EXPLANATORY REPORT DRAWN UP IN ACCORDANCE WITH ART. 125-ter OF THE CONSOLIDATED FINANCIAL ACT, ON THE SECOND ITEM ON THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING CONVENED ON 29/30 APRIL 2021**

***Item 2 on the agenda* – Annual report on the remuneration policy and the compensation paid:**

- 2.1 Approval of the "2021 Remuneration Policy" contained in Section I, pursuant to Article 123-ter, paragraph 3-bis, of Legislative Decree no.58/98;**
- 2.2 consultative vote on the "compensation paid in 2020" indicated in Section II, pursuant to Article 123-ter, paragraph 6, of Legislative Decree no.58/98.**

To our Shareholders,

In relation to the second item on the agenda of the Shareholders' Meeting, this year, following the amendments introduced to Art. 123-ter of the Consolidated Financial Act by Italian Legislative Decree no. 49/2019, which implemented EU Directive 2017/828 (SHRD II), you are called upon to express your opinion on Falck Renewables S.p.A.'s "*Annual Report on the remuneration policy and the compensation paid*" (the "**Remuneration Report**" or "**Report**") with regard to:

- the policy on the remuneration of the members of the administrative and control bodies, general managers and executives with strategic responsibilities (the "**Relevant Persons**") proposed by the Board of Directors for the year 2021 and the procedures used for the adoption and implementation of this policy (the "**2021 Remuneration Policy**"); as well as
- the compensation paid to the Relevant Persons in the year 2020.

We would like to remind you that the Remuneration Report is divided into two separate sections:

- **Section I**, which describes the Remuneration Policy and the procedures used for its adoption and implementation; as every year, this section also contains information on the remuneration of directors and the Remuneration Committee relating to the recommendations dictated by the Corporate Governance Code for listed companies to which Falck Renewables adheres;
- **Section II** (arranged into two parts), which contains, in the First Part, a representation of the compensation paid by the Company to Relevant Persons with reference to each of the items that make up the remuneration for the year 2020 of such persons; and, in the Second Part, details of the compensation paid or accrued in 2020 in favour of the Relevant Persons, for whatever reason and in whatever form, by the Company and its subsidiaries and associates, using the tables attached to the Remuneration Report, which form an integral part of it, as well as information on the equity investments held in the Company and its subsidiaries by the same Relevant Persons, as well as by their spouses who are not legally separated or their children, either directly or through subsidiaries, trust companies or third parties.

The main developments introduced in Art. 123-ter of the Consolidated Financial Act include the change in the nature of the vote to be cast by the Shareholders' Meeting on the Remuneration Policy for the year 2021 contained in Section I of the Remuneration Report, which has been raised from an advisory vote to a binding vote, as well as the introduction of an advisory vote on the remuneration paid in 2020 to Relevant Persons, as stated in Section II of the Report.

It should be noted that the Report - and, therefore, the 2021 Remuneration Policy and the compensation paid to Relevant Persons in 2020 as stated in Section I and Section II of the Report, respectively - was approved by the Board of Directors at the meeting held on 11 March 2021, on the proposal of the Remuneration Committee, in compliance with current legislation, including

regulatory legislation, and is available to the public on the Company's website <https://www.falckrenewables.com/en/corporate-governance/shareholders-meetings#29-04-2021>, and on the authorised storage mechanism eMarket STORAGE (available at [www.emarketstorage.com](http://www.emarketstorage.com))

For further details, reference should be made to the text of the aforesaid Report, the contents of which have also been defined in compliance with the provisions of Art. 84-*quater* of the Issuers' Regulations and in consideration of the related Attachments 3A, Schedule 7-*bis* and Schedule 7-*ter*.

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### **Proposed resolution**

To our Shareholders,

In light of the above, the Board of Directors submits the following resolutions to you:

#### **As regards point 2.1**

*"The Shareholders' Meeting of Falck Renewables S.p.A.,*

- having examined Section I of Falck Renewables S.p.A.'s "Annual Report on the Remuneration Policy and the Compensation paid" of March 11, 2021 prepared in accordance with current laws and regulations*

#### ***RESOLVES***

*to approve the "Remuneration Policy for the year 2021" contained in Section I of the aforesaid Report and the related adoption and implementation procedures".*

#### **As regards point 2.2**

*"The Shareholders' Meeting of Falck Renewables S.p.A.,*

- having examined Section II of Falck Renewables S.p.A.'s "Annual Report on the Remuneration Policy and the Compensation paid" of March 11, 2021 prepared in accordance with current laws and regulations*

#### ***RESOLVES***

*to express a favorable opinion on the "Compensation paid in 2020" as stated in Section II of the aforesaid Report".*

Milan, 30 March 2021

On behalf of the Board of Directors  
The Chairman – Enrico Falck

**EXPLANATORY REPORT DRAWN UP IN ACCORDANCE WITH ART. 125-ter OF THE CONSOLIDATED FINANCIAL ACT, ON THE THIRD ITEM ON THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING CONVENED ON 29/30 APRIL 2021**

***Item 3 on the agenda – Proposal of adjustment of remuneration of the Legal Auditing Firm PricewaterhouseCoopers S.p.A. for the financial years 2020-2028; related and consequent resolutions***

To our Shareholders,

you have been called to this ordinary meeting to discuss and resolve on the adjustment, following the justified proposal of the Board of Statutory Auditors, of the fees for the engagement of PricewaterhouseCoopers S.p.A. ("**PwC**") as independent auditors of Falck Renewables S.p.A. (the "**Company**") assigned by the Shareholders' Meeting of the Company on 15 April 2019 for the financial years 2020-2028.

With its communication dated February 24, 2021, PwC highlighted that the statutory audit activities on the Company's annual and consolidated financial statements as at 31 December 2020 involved a greater commitment mainly referred to:

- a realignment of the perimeter of the activities with respect to what was considered in the proposal (new US perimeter, new derivatives transactions) quantifiable in Euro 72,600 for financial year 2020 and Euro 73,800 for the following financial years;
- one-off studies made necessary on certain issues related to specific business transactions with an impact on the financial statements as at 31 December 2020 (with particular reference to impairment and extraordinary transactions) quantifiable in Euro 48,970 for financial year 2020.

PwC proposed the following fees' adjustment for each financial year from 2020 to 2028:

- Euro 279,570 (instead of Euro 158,000) for financial year 2020
- Euro 231,800 for financial years 2021 to 2028

Given that the Shareholders' Meeting of 15 April 2019 did not establish specific criteria for any adjustment to PwC's fee, in compliance with the provisions of Article 13, paragraph 1 of Legislative Decree no. 39/2010, which states that "*the shareholders' meeting, following the justified proposal of the control body, assigns the task of statutory auditing and determines the fee due to statutory auditor or the statutory audit firm for the entire duration of the assignment*", the Board of Statutory Auditors examined PwC's request in order to formulate its own proposal.

Please, refer to the Board of Statutory Auditors' proposal attached below to this report for further information about the requested adjustment, as well as to the investigations and assessments carried out by the Board of Statutory Auditors.

Following the evaluations and checks, the Board of Statutory Auditors (i) deemed the request for integration, including in light of the confirmation provided by the corporate functions, to be consistent with the statutory auditing process under the current assignment, adequate in consideration of the greater workload deriving from the new US perimeter and the new operations in derivatives, as well as reasonable in relation to the professional effort required; and, therefore, (ii) expressed its approval to integrate the original proposal, in the terms set out by PwC.



In light of the above, the Board of Directors invites you to resolve as follow.

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### **Proposed resolution**

To our Shareholders,

You are therefore invited to approve, having heard the justifications represented and pursuant to the applicable laws, the following proposed resolution formulated in consideration of the Board of Statutory Auditors' justified proposal to adjust the fee for statutory auditing for the financial years 2020-2028 assigned to PwC by the Shareholders' Meeting of the Company on 15 April 2019:

*"The Shareholders' Meeting of Falck Renewables S.p.A., having taken note of and examined the Explanatory Report of the Board of Directors and the justified proposal of the Board of Statutory Auditors attached thereto*

### **RESOLVES**

- *to approve, for the financial years 2020-2028, the adjustment for the fees for the engagement of PricewaterhouseCoopers S.p.A. (with registered office in Milan (MI) Viale Monte Rosa 91, Tax Code and Registration No. with the Companies' Register of Milano Monza Brianza Lodi: 12979880155, registered under no. 119644 in the Register of Statutory Auditors at the competent Ministry) as independent auditors assigned by the Shareholders' Meeting of the Company on 15 April 2019, in accordance with the terms and conditions, including economic ones, contained in the adjustment proposal submitted by PricewaterhouseCoopers S.p.A. to the Board of Statutory Auditors and the Company and summarized in the Board of Statutory Auditors' proposal, without prejudice to the other terms and conditions of the engagement granted by the Shareholders' Meeting of the Falck Renewables S.p.A. on 15 April 2019;*
- *to grant an individual mandate to the Chairman of the Board of Directors and the Chief Executive Officer to carry out all necessary and/or appropriate formalities for the execution of this resolution".*

Milan, 30 March 2021

On behalf of the Board of Directors  
The Chairman – Enrico Falck

## To the Shareholders' Meeting of Falck Renewables S.p.A. on 29 April 2021

### Justified proposal of the Board of Statutory Auditors pursuant to Article 13, paragraph 1 of Legislative Decree no. 39 of 27 January 2010, n. 39, for the integration of the statutory audit fee

Dear Shareholders,

In accordance with the requirements of the law and the relevant regulatory provisions, you are called to resolve on the adjustment, following the Board of Statutory Auditors' justified proposal, of the fees in favor of the Independent Auditors PricewaterhouseCoopers S.p.A. (also "**Independent Auditors**" and "**PwC**") assigned following the Shareholders' resolution on 15 April 2019 for the financial years 2020-2028.

The agreement held with PwC, under section 3.3 of Annex A, "General Conditions of Contract", states the following: *"in the event of exceptional or unforeseeable circumstances, including but not limited to significant changes to the structure and activities of the Company and/or the group to which the Company belongs, business continuity issues or specific situations that require in-depth analyses of a technical nature, the institution of assets allocated to a specific matter, or other circumstances not currently foreseeable that require more time than estimated in this proposal, PwC shall undertake to inform the Company so as to mutually agree on the definition of the activities not envisaged in the Letter of Appointment and on the amount of the related fees. [...]"*.

Considering the requirements of the aforementioned agreement, with its letter dated 24 February 2021, PwC formulated a request to supplement its fees highlighting that the statutory audit activities on the Company's annual and consolidated financial statements as at 31 December 2020 involved a greater commitment mainly referred to:

- a realignment of the perimeter of the activities with respect to what was considered in the proposal (new US perimeter, new derivatives transactions) quantifiable in Euro 72,600 for financial year 2020 and Euro 73,800 for the following financial years;
- one-off studies made necessary on certain issues related to specific business transactions with an impact on the financial statements as at 31 December 2020 (with particular reference to impairment and extraordinary transactions) quantifiable in Euro 48,970 for financial year 2020.

PwC proposed the following fees' adjustment for each financial year from 2020 to 2028:

- total hours 4,728 equal to Euro 279,570 (instead of 2,685 hours equal to Euro 158,000) for financial year 2020
- total hours 3,889 equal to Euro 231,800 for financial years 2021 to 2028 (instead of 2,685 hours equal to Euro 158,000).

The proposed amendments are summarized in the following table:

**Falck Renewables S.p.A. – Independent Auditors’ Fees 2020-2028**

	Proposal 15 April 2019		Hours/Fees 2020		Hours/Fees 2021-2028	
	Hours	Fees	Hours	Fees	Hours	Fees
Independent Audit of the Separate Financial Statements	690	40,000	690	40,000	690	40,000
Independent Statutory Audit of the Consolidated Financial Statements	820	45,000	1,475	80,970	1,057	58,000
Independent limited Audit of interim condensed Consolidated Financial Statements	220	14,000	220	14,000	220	14,000
Review of the year-end reporting package of US subsidiaries	470	29,000	1,857	114,600	1,209	74,600
Limited review of the half-yearly reporting package of US subsidiaries	270	18,000	270	18,000	498	33,200
Audit of the unbundling accounts	30	2,000	30	2,000	30	2,000
Review of the financial covenants	185	10,000	185	10,000	185	10,000
<b>Total Hours and Fees</b>	<b>2,685</b>	<b>158,000</b>	<b>4,728</b>	<b>279,570</b>	<b>3,889</b>	<b>231,800</b>

Given that the Shareholders’ Meeting of 15 April 2019 did not establish specific criteria for any adjustment to the Independent Auditors’ fee, in compliance with the provisions of Article 13, paragraph 1 of Legislative Decree no. 39/2010, which states that *“the shareholders’ meeting, following the justified proposal of the control body, assigns the task of statutory auditing and determines the fee due to statutory auditor or the statutory audit firm for the entire duration of the assignment”*, the Board of Statutory Auditors examined the aforesaid PwC’s request in order to formulate this proposal for submission to the Shareholders’ Meeting.

For the purposes of the investigations within its remit, the Board of Statutory Auditors:

- examined PwC’s proposal, meeting with the Independent Auditors for details of the reasons supporting the supplementation requests, the activities carried out and to be carried out and the related number of hours envisaged for the professionals involved, distinguishing between their levels of seniority;
- met with the Financial Reporting Officer to analyze the reasonableness of the additional activities envisaged by PwC, in term of description of the activities and number of the related hours and adequacy of the related fees;
- acknowledged the positive evaluation by the Financial Reporting Officer on the consistency and adequacy of the request to supplement the auditing activities with the statutory auditing process under the current assignment and on the reasonableness of its content;
- confirmed its positive evaluation of PwC’s technical and professional suitability, in consideration of the adequacy of its organization and level of knowledge about the Company and its Group, in addition to the specific nature of the administrative accounting system and the internal audit system.

Following the evaluations and checks, the Board of Statutory Auditors, deems the request for integration of the auditing activities, including in light of the confirmation provided by the corporate functions, to be consistent with the statutory auditing process under the current assignment, adequate in consideration of the greater workload deriving from the new US perimeter and the new operations in derivatives, as well as reasonable in relation to the professional effort required.

Now, therefore, the Board of Statutory Auditors expresses its approval of the adjustment of the statutory auditing fee for financial years 2020-2028 requested by PwC and proposes, therefore, to integrate the original proposal in the term set out by PwC.

Milan, 25 March 2021

The Board of Statutory Auditors

Dario Righetti

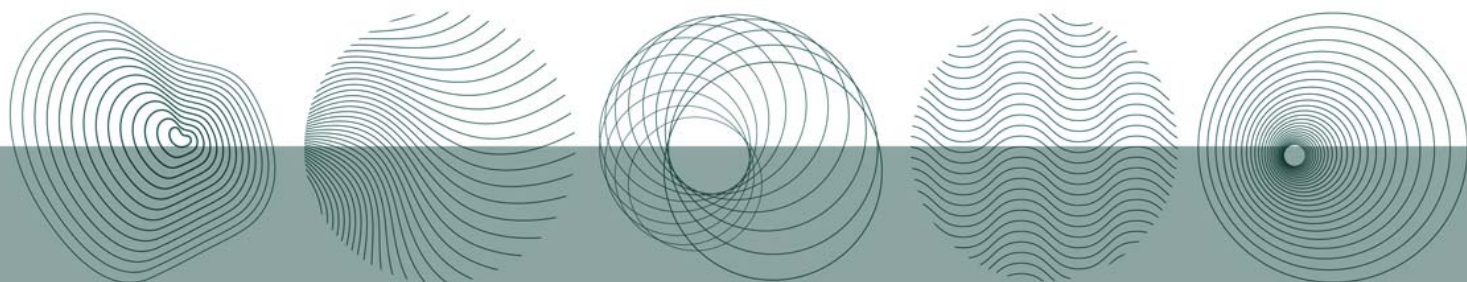
Giovanna Conca

Patrizia Paleologo Oriundi



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