



Record no. 47103

Depositary no. 29685

**MINUTES OF THE EXTRAORDINARY AND ORDINARY SHAREHOLDERS'  
MEETING OF "HERA S.P.A." HEADQUARTERED IN BOLOGNA (BO)**

I T A L I A N   R E P U B L I C

On the twenty-seventh of January two thousand eleven at 10:24 a.m.

In Bologna at via Gobetti 101.

Before me, Federico Tassinari, notary registered in the Notaries' Association of the District of Bologna, residing in Imola,

appeared

- **TOMMASI DI VIGNANO TOMASO**, born in Brescia (BS) on 14 July 1947, domiciled for the office as stated below, who was proceeding herein in his capacity as Chairman of the Board of Directors of "**HERA S.p.A.**" with its registered office in Bologna at Viale Carlo Berti Pichat 2/4, with share capital of euro 1,115,013,754.00 (one billion one hundred fifteen million thirteen thousand seven hundred fifty-four point zero zero), fully paid up, tax code and Bologna Companies Register registration number 04245520376, R.E.A. number 363550.

This appearing party, an Italian citizen, of whose personal identity, I, the notary, am certain, declared that an Extraordinary and Ordinary Shareholders' Meeting of the aforesaid company had been convened on second call, the first for 26 January 2011 not having been quorate, in this location and for this date and time by means of a notice published in the Official Gazette of the Italian Republic, Second Part, announcements page 151 of 21 December 2010, as well as in the daily newspapers *La Repubblica* and *Milano Finanza* of 21 December 2010, in order to discuss and resolve upon the following

AGENDA

**Extraordinary Part:**

1. Capital increase, in tranches, exclusively to service the conversion of the bond issue in the total maximum amount of €140 million, known as "*EUR 130 million Senior equity - linked bonds due 2013*" - reserved for qualified investors - resolved upon by the Board of Directors on 10 November 2010 for a total maximum nominal amount of €80,000,000.00 (euro eighty million/00), by the issue of a maximum of 80,000,000 (eighty million) ordinary shares, with exclusion of the right of option pursuant to Article 2441, paragraph 5, of the Civil Code. Amendment of Article 5 of the Articles of Association: related and consequent resolutions;
2. Amendment of Articles 8, 14 and 17 of the Articles of Association;

3. Amendment of Articles 10, 11, 12, 26 and 27 of the Articles of Association.

**Ordinary Part:**

1. Amendment of Articles 2, 3, 4 and 6 of the Shareholders' Meeting Regulations;
2. Redetermination of the compensation for the engagement as independent auditor: consequent resolutions.

The chairmanship of the Meeting was assumed pursuant to Article 13 of the Articles of Association and Article 4 of the Shareholders' Meeting Regulations by the said appearing party, who had ascertained that:

- the Meeting had been duly called in accordance with Articles 9 and 10 of the Articles of Association;
- the Meeting on first call on 26 January 2011 had not been quorate;
- in attendance for the Board of Directors were not only the said Chairman, but also the following directors:
  - Maurizio Chiarini, Chief Executive Officer;
  - Giorgio Razzoli, Vice Chairman;
  - Mara Bernardini, Director;
  - Filippo Brandolini, Director;
  - Luigi Castagna, Director;
  - Ferruccio Giovanelli, Director;
  - Daniele Montroni, Director;
  - Roberto Sacchetti, Director;
  - Francesco Sutti, Director;
  - Dr. Stefano Zolea, Director;

and from the Board of Statutory Auditors, the following were present:

- Sergio Santi, Chairman of the Board of Statutory Auditors;
- Fernando Lolli, Member of the Board of Statutory Auditors.

The absence of Antonio Venturini, Member of the Board of Statutory Auditors, was excused.

- Also present was the Secretary of the Board of Directors, Mila Fabbri, and, pursuant to Article 2 of the Shareholders' Meeting Regulations, the Meeting was attended by the General Manager of Operations, Roberto Barilli, and the General Manager of Development and Markets, Stefano Venier;
- authorised journalists attended at a location outside the meeting site, with a closed-circuit TV connection, as provided for in Article 2 of the Shareholders' Meeting Regulations;
- pursuant to Article 2 of the Shareholders' Meeting Regulations, attendance by support service personnel is allowed, identified by special staff badges: such staff were present to deal with the technical and organisational demands of the proceedings;

- also present were experts to aid in carrying out the proceedings;

- the share capital amounts, on today's date, to €1,115,013,754.00 (one billion one hundred fifteen million thirteen thousand seven hundred fifty-four period zero zero), fully paid up, and divided into 1,115,013,754 (one billion one hundred fifteen million thirteen thousand seven hundred fifty-four) ordinary shares, with a par value of €1 (one) each, of which 1,112,203,601 (one billion one hundred twelve million two hundred three thousand six hundred one) carry the right to attend and vote at this Shareholders' Meeting, with HERA S.p.A. holding 2,810,153 (two million eight hundred ten thousand one hundred fifty-three) treasury shares on today's date;

- verifications were made by personnel engaged for this purpose of the personal identity and legitimacy of the parties attending for the purposes of participation in the Shareholders' Meeting, as well as of the regularity of the proxies submitted, which documents were entered on the Company's records, a detailed list of which is attached hereto as Appendix A), in accordance with Appendix 3E to the regulations of Legislative Decree 58/1998, adopted by Consob Resolution 11971 of 14 May 1999 as amended and Article 2375 of the Civil Code.

Therefore:

- considering that, with reference to the legal provisions and Articles of Association in effect, the Extraordinary Shareholders' Meeting, on second call, is duly convened with the participation of more than one third of the share capital, and by more than half of the share capital for the resolutions mentioned under item 1) of the Agenda, while the Ordinary Shareholders' Meeting, on second call, is duly convened and resolves regardless of the portion of the share capital represented by the shareholders participating;

- having ascertained the presence at the Meeting of shares with voting rights attached, a list of which by name is included in the abovementioned Appendix A),

the Chairman declared, based on the powers conferred upon him by Article 13 of the Articles of Association and by Articles 4 and 5 of the Shareholders' Meeting Regulations, that the Meeting was duly convened and able to resolve upon the items on the Agenda and he engaged me, the notary, to draft the respective minutes.

Based on the provisions of Article 5 of the Shareholders' Meeting Regulations, the items on the agenda would be dealt with in the sequence indicated above.

Before going on to discuss the items on the agenda, the Chairman also noted that:

a) based on what appears in the Shareholders' Register and taking into account the updates relative to today's Meeting, the notifications received and the other information available, the shareholders that had an interest, directly or indirectly, in the share capital in excess of 2% (two per cent) were the following:

- Municipality of Bologna
- HSST-Mo S.p.A.
- Municipality of Modena
- CON.AMI
- Municipality of Imola
- Municipality of Rimini
- Rimini Holding S.p.A.
- Municipality of Cesena
- Holding Ferrara Servizi S.r.l.
- Municipality of Ferrara
- Ravenna Holding S.p.A.
- Area Asset S.p.A.
- Municipality of Ravenna
- Gruppo Società Gas Rimini S.p.A.

b) also on record is the stipulation of the following shareholder agreements:

**1) consultation agreement signed on 23 February 2010 by four minority shareholders of HERA S.p.A. for a total of 72,602,821 shares equal to 6.49% of the current share capital:**

Fondazione Cassa dei Risparmi di Forlì	20,335,040	1.82%
Gruppo Società Gas Rimini S.p.A.	20,654,754	1.85%
Fondazione Cassa di Risparmio di Imola	11,882,858	1.06%
Carimonte Holding S.p.A.	19,730,169	1.76%

**2) Voting Syndicate and Share Transfer Rules Agreement executed on 20 April 2009 and last amended on 21 January 2011 between 127 public-sector shareholders of HERA S.p.A. for a total of 661,510,094 shares equal to 59.33% of the current share capital:**

AN.T.E.A. S.r.l.	1,237,855	0.11102%
AREA ASSET S.p.A.	33,118,002	2.97019%
MUNICIPALITY OF ALFONSINE	872,254	0.07823%
MUNICIPALITY OF ARGELATO	1,317,099	0.11812%
MUNICIPALITY OF BAGNACAVALLO	793,509	0.07117%
MUNICIPALITY OF BAGNARA DI ROMAGNA	39,708	0.00356%
MUNICIPALITY OF BAGNO DI ROMAGNA	289	0.00003%
MUNICIPALITY OF BARICELLA	695,451	0.06237%
MUNICIPALITY OF BASTIGLIA	964	0.00009%
MUNICIPALITY OF BAZZANO	663,356	0.05949%

MUNICIPALITY OF BENTIVOGLIO	783,774	0.07029%
MUNICIPALITY OF BERRA	665,926	0.05972%
MUNICIPALITY OF BOLOGNA	152,445,222	13.67205%
MUNICIPALITY OF BONDENO	623,725	0.05594%
MUNICIPALITY OF BORGHI	289	0.00003%
MUNICIPALITY OF BORGO TOSSIGNANO	590	0.00005%
MUNICIPALITY OF BRISIGHELLA	1,510	0.00014%
MUNICIPALITY OF BUDRIO	1,580,539	0.14175%
MUNICIPALITY OF CALDERARA DI RENO	2,219,498	0.19906%
MUNICIPALITY OF CAMPOGALLIANO	2,700	0.00024%
MUNICIPALITY OF CASALECCHIO DI RENO	3,365,319	0.30182%
MUNICIPALITY OF CASALFIUMANESE	580	0.00005%
MUNICIPALITY OF CASOLA VALSENI	680	0.00006%
MUNICIPALITY OF CASTEL BOLOGNESE	1,300	0.00012%
MUNICIPALITY OF CASTEL D`AIANO	908,965	0.08152%
MUNICIPALITY OF CASTEL DEL RIO	470	0.00004%
MUNICIPALITY OF CASTEL GUELFO	1,060	0.00010%
MUNICIPALITY OF CASTEL MAGGIORE	2,613,334	0.23438%
MUNICIPALITY OF CASTEL SAN PIETRO TERME	27,488	0.00247%
MUNICIPALITY OF CASTELLO D`ARGILE	6,050	0.00054%
MUNICIPALITY OF CASTELLO DI SERRAVALLE	732,053	0.06565%
MUNICIPALITY OF CASTENASO	1,550,041	0.13902%
MUNICIPALITY OF CASTIGLIONE DEI PEPOLI	1,394,220	0.12504%
MUNICIPALITY OF CATTOLICA	52,896	0.00474%
MUNICIPALITY OF CERVIA	5,099,917	0.45739%
MUNICIPALITY OF CESENA	23,260,003	2.08607%
MUNICIPALITY OF CESENATICO	1,416,549	0.12704%
MUNICIPALITY OF CIVITELLA DI ROMAGNA	589,341	0.05286%
MUNICIPALITY OF CODIGORO	798,774	0.07164%
MUNICIPALITY OF CONSELICE	213,531	0.01915%
MUNICIPALITY OF COPPARO	1,525,425	0.13681%
MUNICIPALITY OF CORIANO	30,519	0.00274%
MUNICIPALITY OF COTIGNOLA	396,754	0.03558%
MUNICIPALITY OF CREPELLANO	1,003,655	0.09001%
MUNICIPALITY OF DOVADOLA	330,728	0.02966%
MUNICIPALITY OF DOZZA	1,570	0.00014%
MUNICIPALITY OF FAENZA	3,155,339	0.28299%
MUNICIPALITY OF FERRARA	6,746,019	0.60502%
MUNICIPALITY OF FIRENZUOLA	940	0.00008%
MUNICIPALITY OF FONTANELICE	600	0.00005%
MUNICIPALITY OF FORLI`	21,877,766	1.96211%
MUNICIPALITY OF FORLIMPOPOLI	2,744,234	0.24612%
MUNICIPALITY OF FUSIGNANO	362,885	0.03255%
MUNICIPALITY OF GABICCE MARE	2,593	0.00023%
MUNICIPALITY OF GALEATA	376,640	0.03378%
MUNICIPALITY OF GALLIERA	602,882	0.05407%

MUNICIPALITY OF GAMBETTOLA	1,397,305	0.12532%
MUNICIPALITY OF GATTEO	1,106,324	0.09922%
MUNICIPALITY OF GEMMANO	23,623	0.00212%
MUNICIPALITY OF GRANAROLO DELL`EMILIA	1,165,182	0.10450%
MUNICIPALITY OF GRIZZANA MORANDI	1,499,171	0.13445%
MUNICIPALITY OF IMOLA	71,480	0.00641%
MUNICIPALITY OF LIZZANO IN BELVEDERE	15,480	0.00139%
MUNICIPALITY OF LOIANO	735,919	0.06600%
MUNICIPALITY OF LONGIANO	170	0.00002%
MUNICIPALITY OF LUGO	1,356,907	0.12169%
MUNICIPALITY OF MARRADI	630	0.00006%
MUNICIPALITY OF MARZABOTTO	3,123,916	0.28017%
MUNICIPALITY OF MASSA LOMBARDA	201,537	0.01807%
MUNICIPALITY OF MEDICINA	2,070	0.00019%
MUNICIPALITY OF MELDOLA	1,986,393	0.17815%
MUNICIPALITY OF MERCATINO CONCA	138	0.00001%
MUNICIPALITY OF MERCATO SARACENO	289	0.00003%
MUNICIPALITY OF MESOLA	109,111	0.00979%
MUNICIPALITY OF MINERBIO	972,622	0.08723%
MUNICIPALITY OF MIRABELLO	36,762	0.00330%
MUNICIPALITY OF MISANO ADRIATICO	822,032	0.07372%
MUNICIPALITY OF MONDAINO	1,199	0.00011%
MUNICIPALITY OF MONTE COLOMBO	49,307	0.00442%
MUNICIPALITY OF MONTE SAN PIETRO	2,534,634	0.22732%
MUNICIPALITY OF MONTEFIORE CONCA	35,892	0.00322%
MUNICIPALITY OF MONTEGRIDOLFO	943	0.00008%
MUNICIPALITY OF MONTEGRIMANO	453	0.00004%
MUNICIPALITY OF MONTEVEGLIO	1,503,094	0.13480%
MUNICIPALITY OF MONTIANO	170	0.00002%
MUNICIPALITY OF MONZUNO	3,429,721	0.30759%
MUNICIPALITY OF MORDANO	1,800	0.00016%
MUNICIPALITY OF NONANTOLA	4,436	0.00040%
MUNICIPALITY OF OZZANO DELL`EMILIA	2,716,439	0.24362%
MUNICIPALITY OF PALAZZUOLO SUL SENIO	480	0.00004%
MUNICIPALITY OF PIANORO	3,230,049	0.28969%
MUNICIPALITY OF PIEVE DI CENTO	1,060,415	0.09510%
MUNICIPALITY OF POGGIO BERNI	512	0.00005%
MUNICIPALITY OF PORTOMAGGIORE	295,764	0.02653%
MUNICIPALITY OF PREDAPPIO	1,225,233	0.10989%
MUNICIPALITY OF RAVARINO	1,736	0.00016%
MUNICIPALITY OF RAVENNA	1,000	0.00009%
RIMINI HOLDING S.p.A.	24,085,208	2.16008%
MUNICIPALITY OF RIOLO TERME	980	0.00009%
MUNICIPALITY OF ROCCA SAN CASCIANO	448,460	0.04022%
MUNICIPALITY OF RONCOFREDDO	170	0.00002%
MUNICIPALITY OF RUSSI	353,208	0.03168%

MUNICIPALITY OF SALA BOLOGNESE	919,309	0.08245%
MUNICIPALITY OF SAN BENEDETTO V. DI SAMBRO	2,140,457	0.19197%
MUNICIPALITY OF SAN GIORGIO DI PIANO	694,677	0.06230%
MUNICIPALITY OF SAN GIOVANNI IN MARIGNANO	636,715	0.05710%
MUNICIPALITY OF SAN GIOVANNI IN PERSICETO	5,160	0.00046%
MUNICIPALITY OF SAN LAZZARO DI SAVENA	2,772,010	0.24861%
MUNICIPALITY OF SAN LEO	566	0.00005%
MUNICIPALITY OF SAN MAURO PASCOLI	1,339,084	0.12010%
MUNICIPALITY OF SAN PIETRO IN CASALE	1,502,716	0.13477%
MUNICIPALITY OF SANT`AGATA SUL SANTERNO	53,873	0.00483%
MUNICIPALITY OF SANTA SOFIA	782,945	0.07022%
MUNICIPALITY OF SANTARCANGELO DI ROMAGNA	1,615,739	0.14491%
MUNICIPALITY OF SARSINA	289	0.00003%
MUNICIPALITY OF SASSO MARCONI	2,172,279	0.19482%
MUNICIPALITY OF SASSOFELTRIO	126	0.00001%
MUNICIPALITY OF SAVIGNANO SUL RUBICONE	1,746,628	0.15665%
MUNICIPALITY OF SOGLIANO AL RUBICONE	170	0.00002%
MUNICIPALITY OF SOLAROLO	830	0.00007%
MUNICIPALITY OF VERGATO	976,600	0.08759%
MUNICIPALITY OF VIGARANO MAINARDA	128,747	0.01155%
MUNICIPALITY OF ZOLA PREDOSA	486,709	0.04365%
CON.AMI	96,964,448	8.69626%
HOLDING FERRARA SERVIZI S.r.l.	23,812,901	2.13566%
HSST-MO S.p.A.	139,605,276	12.52050%
RAVENNA HOLDING S.p.A.	49,290,096	4.42058%

**3) Voting Syndicate Agreement signed on 14 April 2010 and last amended on 7 December 2010, by 53 public-sector shareholders of HERA S.p.A., for a total of 273,466,370 shares equal to 24.53% of the current share capital:**

MUNICIPALITY OF ALFONSINE	872,254	0.07823%
MUNICIPALITY OF BAGNACAVALLO	793,509	0.07117%
MUNICIPALITY OF BAGNARA DI ROMAGNA	39,708	0.00356%
MUNICIPALITY OF BORGHI	289	0.00003%
MUNICIPALITY OF BORGO TOSSIGNANO	590	0.00005%
MUNICIPALITY OF BRISIGHELLA	1,510	0.00014%
MUNICIPALITY OF CASALFIUMANESE	580	0.00005%
MUNICIPALITY OF CASOLA VALSENIO	680	0.00006%
MUNICIPALITY OF CASTEL BOLOGNESE	1,300	0.00012%
MUNICIPALITY OF CASTEL DEL RIO	470	0.00004%
MUNICIPALITY OF CASTEL GUELFO	1,060	0.00010%
MUNICIPALITY OF CASTEL SAN PIETRO TERME	27,488	0.00247%
MUNICIPALITY OF CERVIA	5,099,917	0.45739%

MUNICIPALITY OF CESENA	23,260,003	2.08607%
MUNICIPALITY OF CESENATICO	1,416,549	0.12704%
MUNICIPALITY OF CIVITELLA DI ROMAGNA	589,341	0.05286%
MUNICIPALITY OF CONSELICE	213,531	0.01915%
MUNICIPALITY OF COTIGNOLA	396,754	0.03558%
MUNICIPALITY OF DOVADOLA	330,728	0.02966%
MUNICIPALITY OF DOZZA	1,570	0.00014%
MUNICIPALITY OF FAENZA	3,155,339	0.28299%
MUNICIPALITY OF FIRENZUOLA	940	0.00008%
MUNICIPALITY OF FONTANELICE	600	0.00005%
MUNICIPALITY OF FORLI`	21,877,766	1.96211%
MUNICIPALITY OF FUSIGNANO	362,885	0.03255%
MUNICIPALITY OF GAMBETTOLA	1,397,305	0.12532%
MUNICIPALITY OF GATTEO	1,106,324	0.09922%
MUNICIPALITY OF IMOLA	71,480	0.00641%
MUNICIPALITY OF LONGIANO	170	0.00002%
MUNICIPALITY OF LUGO	1,356,907	0.12169%
MUNICIPALITY OF MARRADI	630	0.00006%
MUNICIPALITY OF MASSA LOMBARDA	201,537	0.01807%
MUNICIPALITY OF MEDICINA	2,070	0.00019%
MUNICIPALITY OF MELDOLA	1,986,393	0.17815%
MUNICIPALITY OF MERCATO SARACENO	289	0.00003%
MUNICIPALITY OF MONTIANO	170	0.00002%
MUNICIPALITY OF MORDANO	1,800	0.00016%
MUNICIPALITY OF PALAZZUOLO SUL SENIO	480	0.00004%
MUNICIPALITY OF PREDAPPIO	1,225,233	0.10989%
MUNICIPALITY OF RAVENNA	1,000	0.00009%
MUNICIPALITY OF RIOLO TERME	980	0.00009%
MUNICIPALITY OF ROCCA SAN CASCIANO	448,460	0.04022%
MUNICIPALITY OF RUSSI	353,208	0.03168%
MUNICIPALITY OF SAN MAURO PASCOLI	1,339,084	0.12010%
MUNICIPALITY OF SANT`AGATA SUL SANTERNO	53,873	0.00483%
MUNICIPALITY OF SANTA SOFIA	782,945	0.07022%
MUNICIPALITY OF SARSINA	289	0.00003%
MUNICIPALITY OF SAVIGNANO SUL RUBICONE	1,746,628	0.15665%
MUNICIPALITY OF SOGLIANO AL RUBICONE	170	0.00002%
MUNICIPALITY OF SOLAROLO	830	0.00007%
CON.AMI	96,439,448	8.64917%
RAVENNA HOLDING S.P.A.	49,290,096	4.42058%
RIMINI HOLDING S.p.A.	24,085,208	2.16008%

The Chairman nevertheless formally requested that the Meeting attendees disclose the existence of relationships, agreements or pacts other than those declared and any situations that, pursuant to the Articles of Association, entailed limitations on exercising voting rights.

The Chairman then went on to explain the operational



procedures for the proceedings of today's Shareholders' Meeting, drawing the attendees' attention to the instructions included in the notice contained in the folder provided at reception, and specifically:

- a) the operations for recording attendance and tallying voting results would be managed with the aid of technical devices and an IT procedure;
- b) shareholders had been provided with a special electronic device known as a "radiovoter", in which an identification code for the shareholder and the respective shares held was memorised;
- c) this device had to be used to record attendance, at each time of entering or leaving the meeting room, to allow proper recording in the minutes, and had to be returned to the staff in charge at the end of the Meeting;
- d) voting would therefore take place using the radiovoter;
- e) detailed instructions for using the radiovoter could be found in a specific document in the folder provided at reception;
- f) votes against and abstentions thus cast and non-voters would be automatically recorded and included in a breakdown in an appendix to the minutes of the Meeting;
- g) for shareholders holding proxies who intended to cast various votes among the shares represented overall were to go to the special voting station indicated above ("assisted voting");
- h) shareholders were strongly encouraged not to go in and out of the room during voting operations to facilitate a proper attendance tally;
- i) shareholders were asked to participate in the discussion, pursuant to the provisions of Article 6 of the Shareholders' Meeting Regulations, which would be carefully implemented during the Meeting;
- l) to ensure the broadest possible participation in the discussion, shareholders were asked to make statements that were relevant to the agenda items and to limit their duration. Each shareholder could make only one statement on each agenda item.

At the end of all the statements on each agenda item discussed, responses would be provided to shareholder requests, after suspension of the Meeting's proceedings for a limited period of time, as allowed by Article 7 of the Shareholders' Meeting Regulations.

Those who had requested the floor would have the option after the responses of making a brief reply upon request;

- m) based on the provisions of Article 6 of the Shareholders'

Meeting Regulations - taking into account the subject and relevance of the individual agenda items put up for discussion - the Chairman believed that the maximum duration of statements should be set beforehand at ten minutes, and at five minutes for responses;

n) all those interested in requesting the floor were asked to go with the appropriate form, contained in the folder provided to shareholders at reception, and with their radiovoters, to the "SPEAKERS" station in the middle of the room;

o) as provided for by current regulations, statements would be included in the minutes in summary form, stating the names of the parties taking the floor and the responses obtained;

p) pursuant to the laws and Articles of Association in effect, the Extraordinary Shareholders' Meeting, in relation to the subject matter in item 1 on the Agenda, would resolve with the approval of shareholders representing more than half of the share capital; in relation to item 2 on the Agenda, it would resolve with a vote in favour by at least three quarters of the capital represented at the Meeting; with reference to item 3 on the Agenda, it would resolve with a vote in favour by two thirds of the capital represented at the Meeting, while the Ordinary Shareholders' Meeting would resolve by an absolute majority of the capital represented by the shareholders present;

q) a voice amplification system was working in the room, and there was audiovisual recording for the sole purpose of facilitating the drawing up of the minutes, as allowed by Article 3 of the Shareholders' Meeting Regulations.

The Chairman then went on to discuss the first item on the agenda for the extraordinary part.

**1. Capital increase, in tranches, exclusively to service the conversion of the bond issue in the maximum total amount of €140 million, known as "EUR 130 million Senior equity - linked bonds due 2013" - reserved for qualified investors - resolved upon by the Board of Directors on 10 November 2010 for a maximum total amount of €80,000,000.00 (euro eighty million/00), by the issue of a maximum of 80,000,000 (eighty million) ordinary shares excluding the right of option pursuant to Article 2441, paragraph 5, of the Civil Code.**

**Amendment to Article 5 of the Articles of Association: related and consequent deliberations.**

The Chairman reminded attendees that the formalities as per Article 2441, paragraph six of the Civil Code and Article 158 of the Consolidated Finance Act had been carried out and in particular that on 23 December 2010 the independent auditor PricewaterhouseCoopers S.p.A. had expressed a favourable

opinion on the fairness of the criterion used by HERA S.p.A. to calculate the share issue price for the capital increase excluding the right of option.

Since the directors' report and the independent auditor's opinion had been made available to the public, with the consent of the attendees no reading was given of these documents, the text of which was nevertheless contained in the folder provided to the attendees at reception.

The Chairman reminded attendees that the capital increase in a maximum total amount of €80 million, by the issue of a maximum of 80 million ordinary shares, was part of the larger bond issue transaction in the amount of €140 million maturing on 1 October 2013, reserved for Italian and foreign qualified investors, and resolved upon by the Board of Directors on 10 November 2010.

The bond issue, intended for the domestic and international market of qualified investors in equity-linked instruments, had ensured the timely raising of financial resources from the non-bank capital market, allowing the company to take advantage of opportunities offered by the favourable market context and from the placement conditions deriving from the bond's characteristics.

The Board of Directors felt that this transaction could be in the best interests of HERA, which benefited from medium-term funding on especially favourable terms.

The funds raised would thus strengthen the Company's financial structure both immediately and in the medium term, allowing it to take future market and industrial opportunities. The proceeds of this transaction might thus be used for the general demands of business activity, including diversifying the debt profile to give financial flexibility to implement the 2010-2014 business plan and other strategic initiatives.

The eventual conversion of the bonds into shares, as provided for in the Bond Regulations, would also allow the Company to both (i) strengthen its capital structure and diversify its financial structure, while limiting the correlated cash expenditure for financial expenses and maturing principal, (ii) potentially expand its shareholder base, allowing qualified investors to acquire an interest in the capital and establishing relationships with a new class of international and local institutional investors, and (iii) strengthen the equity structure, in hopes of an upgrade from rating agencies.

The reasons for excluding the right of option, pursuant to Article 2441, paragraph 5 of the Civil Code, in relation to the proposed capital increase, thus reflected the underlying reasons for the bond issue reserved for qualified investors,

also designed to strengthen the company's capital structure and expand its shareholder base.

In light of the above, the Company's Board of Directors believed it to be important that the bonds could be converted into Company shares.

#### Presentation of requests to take the floor and opening up the floor for discussion

The Chairman invited all those interested in submitting requests to take the floor to go, if they had not already done so, with the appropriate form and their radiovoter to the "SPEAKERS" station in the middle of the room.

He then asked a "SPEAKERS" station staff member to provide the list of requests to take the floor and to update the said list in the event of additional requests submitted during the statements.

Following the request submission order, he asked the first person requesting the floor to come to the podium, reminding him to keep his statement to up to 10 minutes.

The floor was taken by shareholder Walter RODINO', who emphasised the favourable impression made on him by the fact that after the transaction had been announced, the HERA S.p.A. share had not fallen, highlighting the positive view of the capital increase, and said that he would vote in favour of the operation. In general, he expected the conversion into shares to meet with maximum favour.

He asked the Board of Directors to provide some information on the company's overall available capital for future investments and for it to indicate the priorities. He expressed his appreciation for the company's strategy of expansion into other regions, as recently with the allocation of the street lighting tender in San Donato Milanese.

The floor was then taken by shareholder Davide Giorgio REALE, who said that he was a small shareholder and expressed the view that the proceeds from the bond issue on the Agenda could provide economic satisfaction and an outlook for further growth.

He posed a specific question: since the bond regulations provided for the application of UK law, except for the application of Italian law for bondholders' meetings, he wanted to know whether this was a matter of free choice or a legal obligation.

The floor was taken by shareholder Giuliano LAUDI, who noted the dynamism of HERA S.p.A., the significant uptick in share prices since the beginning of the year and the company's strong capitalisation. He said that he would vote in favour of the capital increase and asked the Chairman to provide some

additional information on subscription to the bond.

The floor was again taken by the Chairman, who provided responses to the questions posed.

With regard to the first statement, he believed that the transaction had confirmed the group's overall soundness, noting that in two hours all the bonds issued had been placed. The subscribers were sixty-four investors, all European, the majority long-term, clearly strengthening the shareholder base with a view to conversion.

On the subject of investments, he referred to the 2010-2014 business plan and to the four areas of intervention mentioned therein, with overall investments of over one billion seven hundred million euro; he noted that investments in the period 2003-2009 were two billion three hundred million euro (recalling that during that period six major plants commissioned to HERA S.p.A. had been completed while it was still being established). He noted that, regarding future investment opportunities, tenders that would be called in the gas sector should be considered and that investments during the 2010-2014 period did not include extraordinary transactions, which would be evaluated on an individual basis. With regard to the question about the application of UK law, he mentioned that the choice of UK law had been recommended by the financial advisors.

Finally, he thanked shareholder Laudi for the considerations expressed. Since there were no other interested parties, he declared the floor closed.

The Chairman then declared the discussion closed and moved on to the vote.

#### Submission of the proposed resolution

As provided for by Article 5 of the Shareholders' Meeting Regulations, the Chairman therefore submitted for approval the following proposal relative to the first item on the agenda for the extraordinary part.

"The Shareholders' Meeting,

- having heard the Explanatory Report of the Board of Directors, prepared pursuant to Article 2441, paragraph 6, of the Civil Code and Article 72 of Consob Resolution 11971 of 14 May 1999, as amended and supplemented;
- having noted the main terms and conditions of the bond as described in the Explanatory Report of the Board of Directors;
- having noted the opinion on the fairness of the issue price expressed by the independent auditor PricewaterhouseCoopers S.p.A. on 23 December 2010;
- having ascertained the advisability of proceeding for the purposes and according to the procedures described above,

resolved

- to approve the proposed capital increase for cash, by payment and in tranches excluding the right of option pursuant to Article 2441, paragraph 5, of the Civil Code, for a maximum total nominal amount of €80,000,000 to be released on one or more occasions, through the issue of a maximum of 80,000,000 ordinary shares of the Company with the same characteristics as the ordinary shares in circulation, reserved exclusively and irrevocably to service the conversion of the equity-linked bond, in the maximum total amount of €140,000,000.00, maturing on 1 October 2013, reserved for qualified investors, known as "EUR 130 million Senior Equity - Linked Bonds due 2013", according to the terms of the relative regulations, at a price per share (including the par value and premium) of €1.834, notwithstanding any adjustment to the conversion price as provided for in the Bond Regulations; the number of shares to service the conversion would be determined by dividing the nominal amount of the Bonds, in relation to which the right of conversion would be exercised, by the conversion price in effect on the respective conversion date, rounded off by default to the closest whole number of ordinary shares. Fractions of shares would not be issued or delivered and no payment in cash or adjustment would be made for such fractions;
- to confer a mandate on the Chairman and the Chief Executive Officer, including separately and with the option of sub-delegation, to send a notice to the bondholders, as a result of which they would be attributed the right of conversion into already existing and/or newly issued ordinary shares of the Company;
- to establish the deadline for subscription of the newly issued shares as 1 October 2013, corresponding to the expiry of the third year after the bond issue known as "EUR 130 million Senior Equity - Linked Bonds due 2013", without prejudice to the fact that the capital increase was irrevocable until the expiry of the deadline for the conversion of the bonds and that in the event that the capital increase was not fully subscribed on that date, it should nevertheless be understood as increased by the amount of subscriptions collected, and starting as of these, provided that this was subsequent to the recording of this resolution with the Register of Companies;
- to consequently amend Article 5 of the Articles of Association to take into account the resolutions adopted on today's date, adding the following (fourth) paragraph:  
"5.4 The Extraordinary Shareholders' Meeting of 27 January

2011 resolved to increase the share capital for cash, by payment and in tranches excluding the right of option pursuant to Article 2441, paragraph 5, of the Civil Code, for a maximum total nominal amount of €80,000,000 (eighty million) to be released on one or more occasions, through the issue of a maximum of 80,000,000 (eighty million) ordinary shares of the Company, having the same characteristics as the ordinary shares in circulation, reserved irrevocably and exclusively to service the conversion of the bond issued pursuant to the Board of Directors' resolution of 10 November 2010, without prejudice to the fact that the deadline for subscription of the newly issued shares is set at 1 October 2013 and that, in the event that, on that date, the capital increase is not fully subscribed, it shall nevertheless be understood to be increased by an amount equal to the subscriptions collected", mandating, including separately and with the option of sub-delegation, the Chairman and the Chief Executive Officer, to update the numerical expressions contained in Article 5 of the Articles of Association, as amended, as a result of partial and/or total exercise of the conversion rights by the bondholders and the consequent partial and/or total implementation of the capital increase to service the bond, and taking responsibility for the respective filings with the Register of Companies;

- to confer any broader power of attorney, separately and with the option of sub-delegation, on the Chairman and the Chief Executive Officer, so that they can, including through attorneys, (i) implement the resolutions adopted, with the power to make any changes requested by the relevant authorities, as well as any changes required at the time of filing with the Register of Companies, and submit the updated text of the Articles of Association after the transaction resolved upon, as well as (ii) do anything required, necessary or expedient for the complete implementation of what was resolved upon".

#### Vote on the proposed resolution

The Chairman asked the attendees not to leave the room during the voting operations.

He then declared the vote open on the proposed resolution on the first item of the agenda for the extraordinary part.

Holders of proxies, who intend to cast different votes on that proposal, were asked to go to the "assisted voting" station.

The other shareholders could remain seated and cast their votes using the radiovoter, according to the instructions indicated in the document included in the folder provided at reception.

The Chairman then asked voters to:

- press the preselected voting key ("F" for a vote in FAVOUR or "A" for ABSTAIN or "C" for vote AGAINST);
- check on the screen that this choice was correct;
- press the "OK" key;
- check on the screen that the vote had been sent correctly.

Announcement of the results of the vote

The Chairman asked the "assisted voting" station if there were reports from shareholders intending to correct the vote cast using the radiovoter.

He then declared the vote on the proposal indicated in the first item of the agenda for the extraordinary part closed and asked a staff member from the "assisted voting" station to provide the results of the vote.

He then announced the results of the vote, which are reported, in accordance with the abovementioned Appendix 3E to Regulation 11971 of 14 May 1999, in the document attached hereto as Appendix B);

having obtained the approval of shareholders representing more than half of the share capital, as shown in the breakdown in the attached witnessing document, and with

815,352,332 votes in favour

6,498,815 votes against

16,686,777 abstentions

0 non-voters

**the proposal was declared approved.**

The Chairman then submitted to me the report by the Board of Directors, prepared pursuant to Article 2441, paragraph 5 of the Civil Code, and the opinion of the independent auditor on the fairness of the issue price, prepared pursuant to Article 158 of Legislative Decree 158/1998, which are attached hereto as Appendices C) and D), respectively. The Chairman informed me that these documents had been deposited at the registered office according to the legal time periods.

The Articles of Association, updated with the amendment relative to the amount of share capital resulting from the effective subscriptions, would be filed by the Board of Directors, and for it by the Chairman or Vice Chairman, at the Companies Register within 30 days after that effective period. The Chairman noted that the discussion of the first agenda item for the extraordinary part was ended and moved on to a discussion of the second agenda item for the extraordinary part.

**2. Amendment of Articles 8, 14 and 17 of the Articles of Association.**

With the consent of the attendees, he decided not to give a



reading of the Explanatory Report prepared by the Board of Directors on this agenda item, the text of which is contained in the folder provided to the attendees at reception.

The Chairman specified briefly that the item involved amendments to Articles 8, 14 and 17 of the Articles of Association in order to make them compliant with the new provisions introduced by Legislative Decree 27 of 27 January 2010, implementing Directive 2007/36/EC, relating to the exercise of some of the rights of shareholders of listed companies, aimed at facilitating participation in Shareholders' Meetings (i.e. Shareholders' rights directive).

In particular, the following amendments are involved:

- amendment of Article 8.8 by substituting the term "shareholders" with "holders of voting rights"; this was merely for the purposes of coordination with the amendment of Articles 11 and 12 subject to approval under the next agenda item;
- amendment of Article 14.1 to exclude recourse to Shareholders' Meeting calls subsequent to the first, providing that the majorities indicated for the second call apply at the single call to Ordinary Shareholders' Meetings (meeting quorum: not required and resolution quorum: absolute majority of those present) and for Extraordinary Shareholders' Meetings the majorities for calls subsequent to the second (meeting quorum: 20% of the share capital, resolution quorum: 2/3 of those present);
- amendment of Article 17.5 to make the terms and conditions for the submission and disclosure of slates for the appointment of the Board of Directors compliant with the new legislative provisions.

#### Presentation of requests to take the floor and opening up the floor for discussion

The Chairman invited all those interested in submitting requests to take the floor to go, if they had not already done so, with the appropriate form and their radiovoter to the "SPEAKERS" station in the middle of the room.

He then asked a "SPEAKERS" station staff member to provide the list of requests to take the floor and to update the said list in the event of additional requests submitted during the statements.

Following the request submission order, he asked the first person requesting the floor to come to the podium, reminding him to keep his statement to up to 10 minutes.

None of the attendees requested the floor.

Since there were no interested parties, he declared the floor

closed to statements.

The Chairman then declared the discussion closed and moved on to the vote.

Submission of the proposed resolution

As provided for by Article 5 of the Shareholders' Meeting Regulations, the Chairman therefore submitted for approval the following proposal relative to the second item on the agenda for the extraordinary part.

"The Shareholders' Meeting of HERA S.p.A., for the purpose of bringing the clauses contained in the Company's Articles of Association into compliance with new developments introduced by Legislative Decree 27 of 27 January 2010 implementing Directive 2007/36/EC, relating to the exercise of some of the rights of shareholders of listed companies, with the aim of facilitating shareholders' participation in Shareholders' Meetings (Shareholders' rights directive), and in particular the substitution of the term "shareholders" with "holders of voting rights", the provision for a single notice for Shareholders' Meetings and the introduction of new terms and conditions for the submission and disclosure of slates for the appointment of the Board of Directors,

resolved

to amend, as indicated above, **Articles 8, 14 and 17 of the Articles of Association** as shown below:

**"ARTICLE 8 LIMITATIONS ON SHARE OWNERSHIP**

8.1. Shareholders other those referred to in Article 7 above are prohibited from holding equity investments greater than 5% of the share capital. The limitation on share ownership referred to in this article shall lapse, however, if the company is no longer classified as majority publicly owned.

8.2 The provision regarding the above maximum share ownership limit refers exclusively to shares conferring voting rights at Shareholders' Meetings.

8.3 For the purposes of observing the maximum limit referred to in Article 8.1, the following shall be considered individually:

(i) with reference to physical persons, the shares held by the relative family unit, including the shareholder him/herself, the spouse, unless legally separated, and the minor children;

(ii) with reference to physical and/or legal persons, the shares held by subsidiaries or trusts or by an interposed person, as well as shares held directly or indirectly under a pledge or usufruct, provided that the voting rights inherent to them are due to the pledgee or usufructuary, as well as shares held directly or indirectly as a deposit, when the depositor has the discretion to exercise the voting rights

inherent to them, as well as shares subject to share lending agreements taken into account both for the share lender and the share borrower;

(iii) the shares held by the group to which the individual shareholder belongs, with the group to which the shareholder belongs, including not in a corporate form, being understood as the party that exercises control, the subsidiaries and those controlled by one single controlling party, as well as associates, including if not in a corporate form.

Control applies, including with reference to parties other than a company, in the cases provided for in Article 2359, paragraphs 1 and 2, of the Civil Code.

Association applies in the cases referred to in Article 2359, paragraph 3, of the Civil Code, as well as between parties that, directly or indirectly, are parties to agreements regarding exercising voting rights or transfers of shares, including by third parties, and in any case the agreements or pacts referred to in Article 122 of Legislative Decree 58 of 24 February 1998, regardless of the validity of the said pacts and agreements. Relative to agreements or pacts involving the exercise of voting rights or the transfer of shares to third-party companies, the connection is considered to exist when such agreements or pacts concern at least 10% (ten percent) of the voting capital if listed companies are involved, or 20% (twenty percent) if unlisted companies are involved.

It is obligatory to inform the Company in writing, within 10 (ten) days of stipulation or any case before the Shareholders' Meeting if called for a date prior to the tenth day, of any pact or agreement that entails limitations or regulations for the parties on voting rights, obligations or options for consultation prior to the exercise thereof, obligations regarding the transfer of shares, or any agreement for concerted purchasing of shares.

For the purposes of exceeding the maximum share ownership limits referred to in this article, the shares held by Undertakings for Collective Investment, managed by companies belonging to the same group as the shareholder, will not be considered together with the shares held by the group to which the individual shareholder belongs.

8.4 The share ownership limitation referred to in paragraph 8.1 does not apply, for a period of three years from the date of purchase of or subscription to the securities, to shares that have been bought up, in connection with placement and/or underwriting consortiums for the proper outcome of Company share offerings, by participants in the said consortiums.

8.5 In no circumstances may voting rights be exercised for

equity investments exceeding the percentage stipulated above.

8.6 The voting right that would have been due to each party to which the share ownership limit in Article 8.1 refers is reduced - within an overall maximum limit of 5% - proportionately to the interest held by each at the time that a Shareholders' Meeting actually takes place, unless there are prior joint instructions from the interested parties.

8.7 In the event of non-observance of Article 8.5, a Shareholders' Meeting resolution can be challenged pursuant to Article 2377 of the Civil Code if the required majority was not achieved without the excess votes over the maximum limit indicated in Article 8.1.

8.8 Holders of voting rights participating in a Company Shareholders' Meeting, including by proxy, are required at the start of every Shareholders' Meeting to inform the person chairing the Meeting of the existence of relationships, agreements, pacts or any situations entailing limitations on exercising voting rights, pursuant to these Articles of Association.

8.9 Shares for which voting rights cannot be exercised are to be computed for purposes of the regular convening of the Shareholders' Meeting."

**"ARTICLE 14 VALIDITY OF SHAREHOLDERS' MEETINGS AND RIGHT OF VETO**

14.1 Ordinary and Extraordinary Shareholders' Meetings are to be held at single call and the related resolutions are valid if the quorum and majority conditions established by law for such cases are satisfied.

14.2 Resolutions by Extraordinary Shareholders' Meetings involving the amendment of Articles 7, 8, 14 and 17 of the Articles of Association shall be valid if adopted by a vote in favour by at least 3/4 of the share capital attending the Meeting, rounded out if necessary.

14.3 In accordance with the provisions of Law 474 of 30 July 1994, at least ten government entity shareholders representing at least 35% (thirty-five per cent) of the share capital, may, with grounds, exercise the right to veto the adoption of Shareholders' Meeting resolutions involving the dissolution, spin-off or merger of the company, the transfer of the company or amendments of the Articles of Association aimed at eliminating or modifying the powers provided for by this paragraph 14.3, all observing the purposes and conditions governed by the D.C.P.M. of 11 February 2000.

14.4 Shareholders' Meeting resolutions, adopted in accordance with legal provisions and these Articles of Association, shall be binding on all shareholders, even if not attending or

dissenting."

**"ARTICLE 17 APPOINTMENT OF THE BOARD OF DIRECTORS**

17.1 The election of the members of the Board of Directors shall be based on slates in which the candidates are numbered consecutively and their number must not be greater in any event than the members to be elected.

17.2 The appointment of the members of the Board of Directors shall take place as provided for below:

(i) from the slate obtaining the greatest number of votes, 14 (fourteen) members of the Board of Directors shall be taken based on the consecutive order in which they were listed;

(ii) for the appointment of the remaining 4 (four) members, the votes obtained by each of the slates other than the one referred to in paragraph (i), and which were not submitted or voted for by shareholders associated according to the pro-tempore regulations in force with the shareholders that submitted or voted for the list referred to in paragraph (i), shall be divided successively by one, two, three and four. The quotients thus obtained shall be assigned progressively to the candidates on each list, in the order therein. The candidates are thus placed in a single decreasing gradation, according to the quotients assigned to each candidate. Candidates winning the largest quotients will be elected up to the remaining amount of members to be elected. In the event of tied quotients between candidates from different slates, preference will be given in electing the last member to the one from the slate that has obtained the greatest number of votes or, in the event of a further tie, to the candidate that is most senior in age.

17.3 Slates must include at least two candidates possessing the independence requirements established for Statutory Auditors by Article 148, paragraph 3 of Legislative Decree 58/1998 and those provided for by the Self-Governance Code prepared by the Corporate Governance Committee of Borsa Italiana S.p.A.

17.4 Slates may be submitted by shareholders representing at least 1% of the shares with voting rights at Ordinary Shareholders' Meetings, or another percentage provided for by the regulations in force and indicated in the notice of meeting.

17.5 Slates must be filed with the registered office, on pain of forfeiture, at least twenty-five days prior to the Meeting and will be made available to the public at the registered office, on the company's website and by the other means provided for by regulatory provisions at least twenty-one days prior to the Meeting.

17.6 Each shareholder may submit or contribute to submitting and vote for one single slate. Support and votes cast in violation of that prohibition shall not be attributed to any slate.

17.7 Together with the slates, the parties submitting them must file a description of the candidates' professional curricula, the candidates' irrevocable acceptance of the office (subject to their appointment), certification of the non-existence of grounds for ineligibility and/or forfeiture, as well as any declaration of meeting the independence requirements established for Statutory Auditors by Article 148, paragraph 3, of Legislative Decree 58/1998 and those provided for by the Self-Governance Code prepared by the Corporate Governance Committee of Borsa Italiana S.p.A. Slates for which the above provisions have not been observed shall be deemed not submitted.

17.8 No one may be a candidate on more than one slate. The acceptance of candidacies on more than one slate shall be grounds for ineligibility.

17.9 In the event that a candidate-elect cannot or does not intend to take office, he shall be subrogated by the first of the unelected candidates from the slate to which that candidate belonged. In the event of the submission of only one slate of candidates, the members of the Board of Directors shall be elected from within that slate. For the election of directors not appointed for any reason under the above conditions, the Shareholders' Meeting shall resolve with the legal majorities.

17.10 If one or more directors appointed on the basis of slate voting should leave office during the course of the financial year, their places will be filled by means of the co-opting, pursuant to Article 2386 of the Italian Civil Code, of the first unelected candidates from the slate to which the departing directors belonged who have not yet been members of the Board of Directors.

If, for any reason, no candidates are available, the Board, again pursuant to Article 2386 of the Italian Civil Code, will carry out the co-opting. The directors thus appointed shall remain in office until the next Shareholders' Meeting, which will resolve in accordance with the procedures established for the appointment."

#### Vote on the proposed resolution

The Chairman asked the attendees not to leave the room during the voting operations.

He then declared the procedure for voting on the indicated proposed resolution on the second agenda item for the

extraordinary part open.

Holders of proxies, who intend to cast different votes on that proposal, were asked to go to the "assisted voting" station.

The other shareholders could remain seated and cast their votes using the radiovoter, according to the instructions indicated in the document included in the folder provided at reception.

The Chairman then asked voters to:

- press the preselected voting key ("F" for a vote in FAVOUR or "A" for ABSTAIN or "C" for vote AGAINST);
- check on the screen that this choice was correct;
- press the "OK" key;
- check on the screen that the vote had been sent correctly.

Announcement of the results of the vote

The Chairman asked the "assisted voting" station if there were reports from shareholders intending to correct the vote cast using the radiovoter.

He then declared the voting of the proposal indicated in the second item of the agenda for the extraordinary part closed and asked a staff member from the "assisted voting" station to provide the results of the vote.

He then announced the outcome of the vote, the results of which are reported, in accordance with the abovementioned Appendix 3E to Regulation 11971 of 14 May 1999 in the document attached hereto as Appendix E):

having achieved three fourths of the capital represented at the Meeting, as it appears in the breakdown in the attached witnessing document, and with

821,879,651 votes in favour

4 votes against

16,658,268 abstentions

0 non-voters

**the proposal was declared approved.**

The Chairman noted that the discussion of the second agenda item for the extraordinary part was closed, and moved on to discuss the third item on the agenda for the extraordinary part.

**3. Amendment of Articles 10, 11, 12, 26 and 27 of the Articles of Association.**

With the consent of the attendees, he decided not to give a reading of the Explanatory Report prepared by the Board of Directors on this agenda item, the text of which was included in the folder provided to the attendees at reception.

The Chairman specifies, briefly, similarly to what was already resolved on the previous agenda item, that it involves amendments to Articles 10, 11, 12, 26 and 27 of the Articles

of Association in order to make the clauses contained in the Company's Articles of Association compliant with new developments introduced by Legislative Decree 27 of 27 January 2010 containing the implementation of Directive 2007/36/EC, relative to the exercise of some rights of shareholders of listed companies, aimed at facilitating shareholder participation in Shareholders' Meetings (Shareholders' rights directive).

In particular, the following amendments are involved:

- amendment to Article 10.1, which governs the procedures for calling Shareholders' Meetings on the company's website, as well as in the Official Gazette, so as to make the provision consistent with the provisions of Article 125-bis of Legislative Decree 58/1998 introduced by Legislative Decree 27/2010;

- elimination of Article 10.2. This amendment is consequent upon the Shareholders' Meeting's adoption of the amendment to Article 14.1, already resolved upon by the Shareholders' Meeting previously in item 2 of the agenda for the extraordinary part, in that it contains a reference to a second meeting notice;

- amendment of Articles 11 and 12 by introducing a reference to those entitled to vote in accordance with the amendment made to Article 2370 of the Italian Civil Code - pursuant to which Shareholders' Meetings may be attended by those entitled to vote - and the introduction of Article 83-sexies of Legislative Decree 58/1998 which have entailed switching from necessary share ownership on the date on which a Meeting is held to the mechanism of the "record date", by virtue of which standing to attend and vote at a Meeting falls to anyone who holds that right at the end of the second market trading day prior to the date set for the Meeting on first or single notice;

- amendment to Article 12 by the insertion of (i) the provision of the option for shareholders to grant a proxy vote including electronically in accordance with the provisions of the new Article 135-novies of Legislative Decree 58/1998 and (ii) the clause granting the company the option of appointing a representative for each Meeting to which shareholders can confer a proxy and this based on the option provided for by the new Article 135-undecies of Legislative Decree 58/98; in this regard, it is specified that, in order to ensure shareholders the chance to avail themselves in time of the most effective electronic proxy notification methods, the company has deemed it advisable not to identify these theoretically in the Articles of Association, referring from



time to time to the notice of meeting for an indication of such methods;

- amendment to Article 26.4 so as to make the terms and methods of submission and disclosure of slates for the appointment of the Board of Statutory Auditors compliant with the new legislative provisions;

- amendment to Article 27 in order to make the clause consistent with the new definitions dictated by Legislative Decree 39 of 27 January 2010 containing the implementation of Directive 2006/43/EC relative to the independent auditing of annual financial statements and consolidated financial statements.

#### Presentation of requests to take the floor and opening up the floor for discussion

The Chairman invited all those interested in submitting requests to take the floor to go, if they had not already done so, with the appropriate form and their radiovoter to the "SPEAKERS" station in the middle of the room.

He then asked a "SPEAKERS" station staff member to provide the list of requests to take the floor and to update the said list in the event of additional requests submitted during the statements.

Following the request submission order, he asked the first person requesting the floor to come to the podium, reminding him to keep his statement to up to 10 minutes.

None of the attendees requested the floor.

Since there were no interested parties, he declared the floor closed to statements.

The Chairman then declared the discussion closed and moved on to the vote.

#### Submission of the proposed resolution

As provided for by Article 5 of the Shareholders' Meeting Regulations, the Chairman therefore submitted for approval the following proposal relative to the third item on the agenda for the extraordinary part.

"The Shareholders' Meeting of HERA S.p.A., for the purpose of bringing the clauses contained in the Company's Articles of Association into compliance with new developments introduced by:

- Legislative Decree 27 of 27 January 2010 implementing Directive 2007/36/EC, relating to the exercise of some rights of the shareholders of listed companies, aimed at facilitating shareholders' participation in Shareholders' Meetings (i.e. Shareholders' rights directive), and in particular the

introduction of new methods of publication of notices of meeting, the option for shareholders to confer a proxy electronically, the clause that grants the company the option to appoint one representative for each Shareholders' Meeting to whom shareholders can confer a proxy, and the new terms and methods for submission and publication of slates for the appointment of the Board of Statutory Auditors;

- Legislative Decree 39 of 27 January 2010 implementing Directive 2006/43/EC, relating to the independent auditing of annual financial statements and consolidated financial statements

resolved

to amend, as indicated above, Articles **10, 11, 12, 26** and **27** of the Articles of Association as shown below:

**"ARTICLE 10 NOTICE OF MEETING**

10.1 The Shareholders' Meeting shall be called by publication of a notice containing, *inter alia*, the agenda, on the company website and by the other methods stipulated by the regulations.";

**"ARTICLE 11 MEETING ATTENDANCE**

All those entitled to vote pursuant to the regulatory provisions applicable from time to time are entitled to attend Meetings.";

**"ARTICLE 12 REPRESENTATION**

Those entitled to vote and entitled to attend Meetings may be represented, in accordance with the law, by a proxy which may also be conferred electronically if provided for by specific regulatory provisions and according to the methods indicated therein. The company may appoint a party for each Meeting to which those entitled to vote may confer a proxy, with voting instructions, for all or some of the proposals on the agenda. The notice of meeting must indicate the party appointed, as well as the methods and deadlines for the conferral and for electronic proxy notification that those entitled to vote shall have the option of using.";

**"ARTICLE 26 APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS**

26.1 The appointment of the Statutory Auditors shall take place on the basis of slates submitted by the shareholders, using the procedure described below to guarantee minority shareholders the appointment of one principal statutory auditor and one alternate statutory auditor. Municipalities, provinces or consortiums created pursuant to Article 31 of Legislative Decree 267/2000, as well as consortiums or corporations controlled in any case by them shall submit a single slate, until the company is no longer classified as majority publicly owned, pursuant to Article 7.

Slates must contain a number of candidates that does not exceed the number of members to be elected, listed using consecutive numbers. Each candidate may run on only one slate, on pain of ineligibility.

26.2 Shareholders who alone or together with other shareholders represent at least 3% (three percent) of the shares with voting rights at an Ordinary Shareholders' Meeting have the right to submit slates.

26.3 Every shareholder may submit, or contribute to submitting, only one slate. If this rule is broken, the shareholders' vote with respect to any slate submitted will not be taken into account.

26.4 Slates signed by the Board of Directors and by the shareholders that have submitted them, must be filed, on pain of forfeiture, together with a declaration certifying the lack of pacts or connections of any sort with other shareholders that have submitted other slates, with the registered office at least twenty-five days prior to the date set for the Meeting. These slates must be made available to the public according to the procedures and deadlines stipulated in Article 17.5. By the deadline set for filing slates, the individual candidates must file statements accepting their candidacy and declaring, under their own responsibility, the non-existence of grounds for ineligibility and conflict of interest as provided for by law, as well as the existence of the requirements of honesty and professionalism required by law for members of the Board of Statutory Auditors, and must provide the list of administrative and oversight offices held by them at other companies. Slates for which the above provisions are not observed shall be deemed not submitted.

Every party entitled to vote may vote for one single slate.

26.5 From the slate obtaining the greatest number of votes cast by the shareholders, two principal statutory auditors and one alternate shall be taken, in the consecutive order in which they are listed on the said slate.

The third principal statutory auditor and the other alternate shall be taken from other slates, electing the first and second candidate, respectively, from the slate showing the second highest quotient. In the event of a tied vote between two or more slates, the candidate most senior in age will be elected a statutory auditor.

26.6 The chairmanship of the Board of Statutory Auditors shall fall to the first candidate on the list obtaining the second highest quotient.

In the event of a tied vote between two or more slates, the candidate most senior in age will be appointed as chairman.

For the appointment of the statutory auditors who for any reason are not appointed by the slate voting procedure, the Shareholders' Meeting shall resolve by the legal majorities.

26.7 In the event of the replacement of a statutory auditor, he or she is succeeded by the alternate auditor belonging to the same slate as the auditor to be replaced.

The appointment of statutory auditors to comprise the Board of Statutory Auditors, pursuant to Article 2401 of the Civil Code, shall be made by the Shareholders' Meeting with the majorities provided for by legal provisions, from among the names indicated by the same shareholders submitting the slate to which the statutory auditor leaving office belonged; if this is not possible, the Shareholders' Meeting shall replace him with the legal majorities.

26.8 The Shareholders' Meeting determines the compensation due to the statutory auditors, plus reimbursement of the expenses incurred in carrying out the office.

The statutory auditors' powers, duties and term in office are those established by law."

#### **"ARTICLE 27 INDEPENDENT AUDITING**

27.1 Independent auditing of the financial statements is carried out by an independent auditor meeting the legal requirements.

27.2 The Shareholders' Meeting, on a reason proposal by the Board of Statutory Auditors, confers the independent auditing engagement to an independent auditor registered in the appropriate special register, determining its fee.

The term of the engagement to audit the financial statements shall be in keeping with the regulatory provisions applicable from time to time with expiry on the date of the Shareholders' Meeting called to approve the financial statements for the last year of the term of the engagement."

#### Vote on the proposed resolution

The Chairman asked the attendees not to leave the room during the voting operations.

He then declares the procedure for voting on the proposed resolution on the third item of the agenda for the extraordinary part as open.

Holders of proxies, who intend to cast different votes on that proposal, were asked to go to the "assisted voting" station.

The other shareholders could remain seated and cast their votes using the radiovoter, according to the instructions indicated in the document included in the folder provided at reception.

The Chairman then asked voters to:

- press the preselected voting key ("F" for a vote in FAVOUR

or "A" for ABSTAIN or "C" for vote AGAINST);

- check on the screen that this choice was correct;
- press the "OK" key;
- check on the screen that the vote had been sent correctly.

Announcement of the results of the vote

The Chairman asked the "assisted voting" station if there were reports from shareholders intending to correct the vote cast using the radiovoter.

He then declared the vote on the proposal indicated in the first item of the agenda for the extraordinary part closed and asked a staff member from the "assisted voting" station to provide the results of the vote.

He then announced the results of the vote, which are reported, in accordance with the abovementioned Appendix 3E to Regulation 11971 of 14 May 1999, in the document attached hereto as Appendix **F**):

having achieved the quotient of two thirds of the share capital represented at the Meeting, as it appears from the breakdown in the attached witnessing document, and with

821,039,735 votes in favour

4 votes against

16,658,268 abstentions

839,917 non-voters

**the proposal was declared approved.**

The Chairman then submitted to me the updated text of the Articles of Association bearing the amendments resolved upon above, as well as those relative to Article 5 resolved upon under the previous item 1 of the extraordinary part. These Articles of Association are attached hereto as Appendix **G**).

The Chairman noted that the discussion of the third agenda item for the extraordinary part was ended and went on to discuss the first agenda item for the ordinary part.

**1. Amendment of Articles 2, 3, 4 and 6 of the Shareholders' Meeting Regulations.**

With the consent of the attendees, he decided not to give a reading of the Explanatory Report prepared by the Board of Directors on this agenda item, the text of which is contained in the folder provided to the attendees at reception.

For this purpose, the Chairman specifies that, following new developments introduced by Legislative Decree 27 of 27 January 2010, containing "Implementation of Directive 2007/36/EC, relative to the exercise of some rights of shareholders of listed companies" and published in the Official Gazette of 5 March 2010 and by Legislative Decree 39 of 27 January 2010, containing "Implementation of Directive 2006/43/EC, relative to independent audits of annual financial statements and

consolidated financial statements, which amends Directives 78/660/EEC and 83/349/EEC, and which repeals Directive 84/253/EEC" and published in the Official Gazette on 23 March 2010, it becomes necessary for the Company's Shareholders' Meeting Regulations, approved in due time by the Shareholders' Meeting of 29 April 2003, to be brought into compliance.

Specifically, it involves:

- amendments to Articles 2.1, 3.2, 3.3, 3.4 and 4.6 to make them compliant with (i) the revised paragraph one of Article 2370 of the Civil Code (as amended by Article 1, paragraph 5 of Legislative Decree 27/2010), pursuant to which Shareholders' Meetings may be attended by "those entitled to vote" and (ii) the "record date" mechanism introduced by the new Article 83-sexies, paragraph 2 of the Consolidated Finance Act (as introduced by Article 2, paragraph 1 of Legislative Decree 27/2010), which, instead of the traditional principle of necessary share ownership on the date a Meeting is held, introduces the principle on the basis of which those with standing to attend Meetings and exercise voting rights are those who hold that right "at the cut-off on the seventh market trading day prior to the date set for the Shareholders' Meeting on first or single notice", (iii) the revised Article 2409-bis of the Civil Code (as amended by Article 37, paragraph 7 *et seq.* of Legislative Decree 39/2010), replacing "company to which the engagement for certifying the financial statements was conferred" with "company engaged for the independent auditing of the financial statements";
- abrogation of Article 4.7 in reference to the introduction of a single notice for Shareholders' Meetings, as provided for based on the amendments made to Article 2369 of the Civil Code by Article 1, paragraph 4 of Legislative Decree 27/2010.
- amendments to Articles 6.4 and 6.6 in reference to the new rules set forth in Article 127-ter of the Consolidated Finance Act (introduced by Article 3, paragraph 10 of Legislative Decree 27/2010), which provides that: (i) shareholders may pose questions on subjects on the agenda even prior to the Shareholders' Meeting; (ii) questions received prior to the Shareholders' Meeting must be answered no later than at the Meeting itself; (iii) the company can provide a single response to questions with the same content; (iv) no response is owed when the information requested is already available in a "question and answer" format in the appropriate section on the company's website;
- amends Article 3.1, reducing the time for checking entitlement to attend a Shareholders' Meeting to two rather than three hours prior to the start of the Meeting

proceedings.

Presentation of requests to take the floor and opening up the floor for discussion

The Chairman invited all those interested in submitting requests to take the floor to go, if they had not already done so, with the appropriate form and their radiovoter to the "SPEAKERS" station in the middle of the room.

He then asked a "SPEAKERS" station staff member to provide the list of requests to take the floor and to update the said list in the event of additional requests submitted during the statements.

Following the request submission order, he asked the first person requesting the floor to come to the podium, reminding him to keep his statement to up to 10 minutes.

None of the attendees requested the floor.

Since there were no interested parties, he declared the floor closed to statements.

The Chairman then declared the discussion closed and moved on to the vote.

Submission of the proposed resolution

As provided for by Article 5 of the Shareholders' Meeting Regulations, the Chairman therefore submitted for approval the following proposal relative to the first item on the agenda for the ordinary part.

"The Shareholders' Meeting of HERA S.p.A., for purposes of bringing the Shareholders' Meeting Regulations into compliance with the new developments introduced by Legislative Decree 27 of 27 January 2010, containing *"Implementation of Directive 2007/36/EC, relative to the exercise of some rights of shareholders of listed companies"* and published in the Official Gazette of 5 March 2010 and by Legislative Decree 39 of 27 January 2010, containing *"Implementation of Directive 2006/43/EC, relative to independent audits of annual financial statements and consolidated financial statements, which amends Directives 78/660/EEC and 83/349/EEC, and which repeals Directive 84/253/EEC"* and published on the Official Gazette of 23 March 2010,

resolved

to amend, in relation to what is indicated above, **Articles 2, 3, 4 and 6 of the Shareholders' Meeting Regulations** as shown below:

**"ARTICLE 2 Meeting attendance, participation and observation**

1. Shareholders' Meetings may be attended by those entitled to vote pursuant to current regulations.

The General Manager, the officers of the Company and

representatives of the independent auditor in charge of auditing the financial statements, as well as directors, statutory auditors and officers of group companies may participate in the Meetings. Employees of the Company or of group companies and other parties may also participate, whose presence is deemed helpful by the Meeting chairman in relation to the items to be discussed or for carrying out the proceedings.

2. Experts, financial analysts and accredited journalists may also observe the Meeting.

3. Before explaining the items on the agenda, the Chairman is to inform the Meeting of the participation and attendance at the Meeting by the parties indicated in paragraphs 1 and 2 of this article.";

**"ARTICLE 3 Verification of the right to attend the Meeting and entry into the meeting place"**

1. Verification of the right to attend the Meeting shall begin in the place where the Meeting is being held at least two hours before the time set for the Meeting to start, unless a different time period is established in the notice of meeting.

2. Entitled attendees must show a personal identification document to the company personnel in charge, at the entrance to the place where the Meeting is being held. The company personnel in charge will issue an appropriate document to be kept throughout the time the Meeting proceedings are being carried out.

3. In order to facilitate verification of their right to attend the Meeting, holders of voting rights may send the documentation corroborating such right to the corporate secretariat, by the methods and within the time periods contained in the notice of meeting.

4. In order to facilitate verification of their powers of representation, those attending the Meeting as legal or voluntary representatives of holders of voting rights may send the documentation corroborating such powers to the corporate secretariat, by the methods and within the time periods established in the notice of meeting.

5. Unless otherwise decided by the Meeting chairman, no photographic or video or similar devices, or recording instruments of any nature or mobile telephone devices may be used in the place where the Meeting is held. If he authorises the use of such devices, the Chairman shall determine the conditions and limitations for them.";

**"ARTICLE 4 Convening the Meeting and opening the proceedings"**

1. At the time set in the notice of meeting, the person indicated in the Articles of Association shall assume the



chairmanship of the Meeting.

2. The Meeting chairman may be assisted by a secretary, who need not be a shareholder. The chairman may request the assistance of a secretary even if the drafting of the minutes is entrusted to a notary. The secretary and the notary may be assisted by their own trusted personnel and avail themselves of recording devices merely to aid them in preparing the minutes.

3. The chairman may be assisted by parties authorised to participate in the Meeting, also entrusting them with explaining agenda items and answering questions posed on specific items.

4. The chairman may also be assisted by specially invited outside experts.

5. The chairman, on reports also by the personnel in charge, shall resolve any disputes regarding the right to attend.

6. The chairman announces the number of holders of voting rights present, also indicating the percentage of capital represented by them. The Chairman, after having ascertained that the Meeting is duly convened, declares the Meeting proceeding open.";

**"ARTICLE 6 Statements and replies**

1. The Meeting chairman regulates the discussion, giving the floor to directors, statutory auditors and to those who have requested it pursuant to this article.

2. Those entitled to vote may request the floor on items put up for discussion one single time, making observations and requesting information. Those entitled to vote may also make proposals regarding agenda items. The request may be put forward as long as the chairman has not closed the discussion on the item that is the subject of discussion.

3. The chairman establishes the method of requesting the floor and the order of the statements.

4. The chairman and, at his invitation, those assisting him pursuant to Article 4, paragraph 3 of these regulations, will respond to the speakers at the end of all the statements on the items put up for discussion, or after each statement, taking into account also any questions posed by shareholders prior to the Meeting for which the company has not provided a response.

5. Those who have requested the floor shall have the option of a brief reply.

6. Taking into account the subject matter and the relevance of the individual items put up for discussion, as well as the number of requests for the floor and any questions made by shareholders prior to the Meeting for which a response has not

already been given by the company, the chairman shall predetermine the duration of the statements and replies in order to ensure that the Meeting can complete its business at a single Meeting. Before the expiry of the time for the statement or reply, the chairman is to ask the speaker to conclude.

7. Once the statements, responses and any replies are exhausted, the chairman is to declare the discussion closed."

Vote on the proposed resolution

The Chairman asked the attendees not to leave the room during the voting operations.

He then declares the procedure for voting on the proposed resolution on the first item of the agenda for the ordinary part as open.

Holders of proxies, who intend to cast different votes on that proposal, were asked to go to the "assisted voting" station.

The other shareholders could remain seated and cast their votes using the radiovoter, according to the instructions indicated in the document included in the folder provided at reception.

The Chairman then asked voters to:

- press the preselected voting key ("F" for a vote in FAVOUR or "A" for ABSTAIN or "C" for vote AGAINST);
- check on the screen that this choice was correct;
- press the "OK" key;
- check on the screen that the vote had been sent correctly.

Announcement of the results of the vote

The Chairman asked the "assisted voting" station if there were reports from shareholders intending to correct the vote cast using the radiovoter.

He thus declares the vote on the proposal indicated in the first item of the agenda for the ordinary part closed and asks a staff member from the "assisted voting" station to provide the outcome of the vote.

He then announces the outcome of the vote, the results of which are reported, in accordance with the abovementioned Appendix 3E to Regulation 11971 of 14 May 1999 in the document attached hereto as Appendix H):

having achieved an absolute majority of the capital present at the Meeting, as it appears in the breakdown in the attached witnessing document, and with

823,220,147 votes in favour

4 votes against

12,545,763 abstentions

0 non-voters

**the proposal was declared approved.**



in the event of additional requests submitted during the statements.

Following the request submission order, he asked the first person requesting the floor to come to the podium, reminding him to keep his statement to up to 10 minutes.

None of the attendees requested the floor.

Since there were no interested parties, he declared the floor closed to statements.

The Chairman then declared the discussion closed and moved on to the vote.

#### Submission of the proposed resolution

As provided for by Article 5 of the Shareholders' Meeting Regulations, the Chairman therefore submitted for approval the following proposal relative to the second item on the agenda for the ordinary part:

"The Shareholders' Meeting:

- whereas the reasoned proposal by the Board of Statutory Auditors made public within the legal time period

resolved

to authorise the redefinition of the compensation due to the independent auditor PricewaterhouseCoopers S.p.A. for carrying out the engagement conferred according to the terms and conditions set forth in greater detail in the description:

- for the 2009 financial year	€356,000,
- for the 2010 financial year	€266,000,
- for the 2011-2014 financial years	€234,000.

plus expense as a lump sum of 5% of fees, and the ISTAT adjustment for inflation, applicable from the month of July 2010."

#### Vote on the proposed resolution

The Chairman asked the attendees not to leave the room during the voting operations.

He then declares the procedure for voting on the proposed resolution on the second item of the agenda for the ordinary part as open.

Holders of proxies, who intend to cast different votes on that proposal, were asked to go to the "assisted voting" station.

The other shareholders could remain seated and cast their votes using the radiovoter, according to the instructions indicated in the document included in the folder provided at reception.

The Chairman then asked voters to:

- press the preselected voting key ("F" for a vote in FAVOUR or "A" for ABSTAIN or "C" for vote AGAINST);
- check on the screen that this choice was correct;
- press the "OK" key;

· check on the screen that the vote had been sent correctly.

Announcement of the results of the vote

The Chairman asked the "assisted voting" station if there were reports from shareholders intending to correct the vote cast using the radiovoter.

He then declared the voting on the proposal indicated on the second item on the agenda for the ordinary part closed, and asked a staff member from the "assisted voting" station to provide the outcome of the vote.

He then announced the outcome of the vote, the results of which are reported, in accordance with the abovementioned Appendix 3E to Regulation 11971 of 14 May 1999 in the document attached hereto as Appendix **M**):

having achieved an absolute majority of the capital present at the Meeting, as it appears in the breakdown in the attached witnessing document, and with

830,885,884 votes in favour

2,319,851 votes against

2,560,139 abstentions

40 non-voters

**the proposal was declared approved.**

The Chairman noted that the discussion of the second agenda item for the ordinary part was ended.

The Chairman announced that one shareholder had posed questions on subjects on the agenda dated 24 January 2011, to which the Company had provided a response on today's date; the questions and the respective responses are attached hereto as Appendix **N**).

Before concluding, he thanks the notary, the staff at the "SPEAKERS" and "ASSISTED VOTING" stations, and all those who collaborated in organising and carrying out this Shareholders' Meeting.

The Meeting proceedings were then closed at 11:36 a.m.

The appearing party exempted me from a reading of the documentation attached.

I, the notary

read the deed to the appearing party, who approved and confirmed it.

Written by a person trusted by me and completed by me, the notary, on eleven sheets over forty-three pages.

Signed at 11:36 a.m.

Signed Tomaso Tommasi Di Vignano - FEDERICO TASSINARI