



HERA S.P.A.

Registered office in Bologna, Viale Carlo Berti Pichat no. 2/4

Share capital: EUR 1,489,538,745.00

Registered with the Register of Companies of Bologna

Registration number 04245520376

***REPORT OF THE BOARD OF DIRECTORS ON
THE ISSUE AT ITEM 1 ON THE AGENDA
EXTRAORDINARY SESSION***

*of the Extraordinary and Ordinary Shareholders' Meeting of HERA S.p.A.
called on 29 April 2020 at 10 a.m. in one single call*

Dear Shareholders,

The Board of Directors of HERA S.p.A., has called an Extraordinary and Ordinary Shareholders' Meeting at the Company's registered office – *Viale Berti Pichat n. 2/4, Bologna* – at “*Spazio Hera*” – on 29 April 2020, at 10:00 a.m. in single call, to discuss and resolve on the following:

Agenda

Extraordinary Session

1. Amendment to Articles 16 and 26 and cancellation of Article 34 of the Articles of Association, in compliance with provisions of Law no. 160 dated 27 December 2019: related and consequent resolutions.
2. Amendment to Article 17 of the Articles of Association, in compliance with Law no. 160 of 27 December 2019: related and consequent resolutions.

Ordinary Session

1. Financial statements as at 31 December 2019, Report on operations, profit allocation proposal and report of the Board of Statutory Auditors and the Independent Audit Report: related and consequent resolutions. Presentation of the consolidated financial statements as at 31 December 2019.
Presentation of the Sustainability Report - Consolidated non-financial statement, drawn up pursuant to Italian Legislative Decree no. 254/2016.
2. Report on the remuneration policy and compensation paid: related and consequent resolutions.
3. Renewal of the authorisation to purchase treasury shares and ways of disposing the same: related and consequent resolutions.
4. Appointment of the members of the Board of Directors: related and consequent resolutions.
5. Determination of the remuneration of the members of the Board of Directors: related and consequent resolutions.
6. Appointment of the members of the Board of Statutory Auditors and Chairman: related and consequent resolutions.
7. Determination of the remuneration of the members of the Board of Statutory Auditors: related and consequent resolutions.

First issue on the Agenda - Extraordinary session.

Amendment to Articles 16 and 26 and cancellation of Article 34 of the Articles of Association,

in compliance with provisions of Law no. 160 dated 27 December 2019: related and consequent resolutions.

The Board of Directors of HERA S.p.A. (hereinafter “HERA” or the “Company”), called an Extraordinary Shareholders’ Meeting to submit to your attention the resolution concerning the amendment of articles 16 and 26, as well as the cancellation of article 34 of the Articles of Association (hereinafter “Articles of Association”).

This report has been drawn up in compliance with provisions set forth in article 72 of the Regulations adopted with CONSOB resolution no. 11971 of 14 May 1999, and following amendments and supplements (hereinafter referred to as “Issuers’ Regulations”), as well as with Attachment 3A, Table no. 3, in the Issuers’ Regulations.

The amendments to the Articles of Association, submitted to the Shareholders’ Meeting for approval, result from the entry in force, as at 1 January 2020, of Law no. 160 dated 27 December 2019. The latter, superseding the former Law no. 120/11, has introduced new provisions concerning gender balance in the boards of directors and statutory auditors of listed companies.

To this purpose, the percentage of members relating to the least represented gender was increased from at least one-third to at least two-fifths for both the boards of directors and statutory auditors and the period of validity of the new distribution criterion was increased for six consecutive tenures instead of three.

Specifically, the following articles of Italian Legislative Decree no. 58/98 were amended:

- article 147-ter, paragraph 1-ter of Italian Legislative Decree no. 58/98, in which the number of directors to be elected shall be apportioned in a way that the least represented gender will obtain at least two-fifths of elected directors, instead of one-third, as set forth by Law no. 120/11, and that this criterion applies for six consecutive tenures, instead of the three tenures established by Law no. 120/11.

It is also provided that the Company's Articles of Association must regulate the procedures for the formation of lists and the cases of replacement during the term of office, in order to ensure compliance with the new apportionment criterion;

- article 148, paragraph 1-bis of Italian Legislative Decree no. 58/98, in which the number of members of the Board of Statutory Auditors shall be apportioned in a way that the least represented gender will obtain at least two-fifths of standing members, instead of one-third, as set forth by Law no. 120/11, and that this criterion applies for six consecutive tenures, instead of the three tenures established by Law no. 120/11.

The new apportionment criterion will apply from the first renewal of the boards of directors and statutory auditors of companies listed on regulated markets after the date of entry into force of the

law.

Subsequently, CONSOB Communication no. 1 of 30 January 2020, pending an adjustment of the regulatory framework, launched on the same date with a Consultation containing proposals to amend Article 144-undecies.1 of the Issuers' Regulation ("*Gender balance*"), clarified that, for the appointment of supervisory bodies, composed of 3 standing members, as an exception to the criterion of rounding up to the upper unit provided for by paragraph 3 of article 144-undecies.1 of the Issuers' Regulation ("*Gender balance*"), the criterion of rounding down to the lower unit should apply.

In light of the above, we therefore submit to your approval the amendments to articles 16 and 26, aimed at amending and adapting the Company's Articles of Association to the aforementioned new regulation, which cannot be derogated from, as well as the cancellation of article 34 of the Articles of Association.

The table below represents a comparison of the articles concerned, in the current and proposed text of the Articles of Association.

TEXT CURRENTLY IN FORCE	PROPOSED AMENDMENTS
<p>ART. 16 THE BOARD OF DIRECTORS</p> <p>16.1 The company is administered by a Board of Directors comprising 15 (fifteen) members, including non-Shareholders, with a term of office of three financial years expiring on the date of the Shareholders' Meeting called to approve the financial statements for the final year of office. The Board of Directors can be re-elected and lapse in accordance with law.</p> <p>The composition of the Board of Directors, starting from the first renewal of the executive body following the entry into force and the effectiveness of provisions set out by Law no. 120 of 12 July 2011 and with reference to the first three consecutive tenures, must ensure compliance with legislation, including regulations, in force regarding gender balance.</p>	<p>ART. 16 THE BOARD OF DIRECTORS</p> <p>16.1 The company is administered by a Board of Directors comprising 15 (fifteen) members, including non-Shareholders, with a term of office of three financial years expiring on the date of the Shareholders' Meeting called to approve the financial statements for the final year of office. The Board of Directors can be re-elected and lapse in accordance with law.</p> <p>The composition of the Board of Directors, starting from the first renewal of the executive body following the entry into force and the effectiveness of provisions set out by Law no. 120 of 12 July 2011 and with reference to the first three consecutive tenures, must ensure compliance with legislation, including regulations, in force regarding gender balance.</p>
<p>ART. 26 APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS</p> <p>26.1 Appointment of the Board of Statutory Auditors shall be based on lists filed by Shareholders, by the</p>	<p>ART. 26 APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS</p> <p>26.1 Appointment of the Board of Statutory Auditors shall be based on lists filed by Shareholders, by the</p>

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<p>same procedure as described above to guarantee minority Shareholders the appointment of one Standing Auditor and one Alternate Auditor. Municipal and Provincial Authorities or Consortiums established pursuant to art. 31, of Italian Legislative Decree no. 267/2000 or other Entities and Public Authorities and consortiums or joint stock companies, directly or indirectly controlled by such entities, shall act in concert to file a single list until such a time as qualification as an entity with a predominantly public capital pursuant to art. 7 no longer applies.</p> <p>The composition of the Board of Statutory Auditors, starting from the first renewal of the supervisory body following the entry into force and the effectiveness of provisions set out by Law no. 120 of 12 July 2011 and with reference to the first three consecutive tenures, must ensure compliance with legislation, including regulations, in force regarding gender balance.</p> <p>The lists shall contain a number of candidates not exceeding the number of members to be elected, listed by consecutive numbering. Each candidate may be included on one list only, on penalty of disqualification. Each list must contain a number of candidates, belonging to the least represented gender, which ensures that the balance between genders is respected at least to the minimum extent required by current legislation, including regulations, as well as by the Articles of Association. Lists with less than 3 (three) candidates are exempt from this constraint.</p>	<p>same procedure as described above to guarantee minority Shareholders the appointment of one Standing Auditor and one Alternate Auditor. Municipal and Provincial Authorities or Consortiums established pursuant to art. 31, of Italian Legislative Decree no. 267/2000 or other Entities and Public Authorities and consortiums or joint stock companies, directly or indirectly controlled by such entities, shall act in concert to file a single list until such a time as qualification as an entity with a predominantly public capital pursuant to art. 7 no longer applies.</p> <p>The composition of the Board of Statutory Auditors, starting from the first renewal of the supervisory body following the entry into force and the effectiveness of provisions set out by Law no. 120 of 12 July 2011 and with reference to the first three consecutive tenures, must ensure compliance with legislation, including regulations, in force regarding gender balance.</p> <p>The lists shall contain a number of candidates not exceeding the number of members to be elected, listed by consecutive numbering. Each candidate may be included on one list only, on penalty of disqualification. Each list must contain a number of candidates, belonging to the least represented gender, which ensures that the balance between genders is respected at least to the minimum extent required by current legislation, including regulations, as well as by the Articles of Association. Lists with less than 3 (three) candidates are exempt from this constraint.</p>
<p>26.2 Lists may be filed by individual Shareholders or groups of Shareholders that represent at least 1% (one per cent) of the share capital at ordinary Shareholders' meetings, or other</p>	<p>26.2 Lists may be filed by individual Shareholders or groups of Shareholders that represent at least 1% (one per cent) of the share capital at ordinary Shareholders' meetings, or other</p>

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percentage as envisaged in current regulations and indicated in the notice of call.	percentage as envisaged in current regulations and indicated in the notice of call.
26.3 Each shareholder may file, or act in concert in filing, one list only. Should this rule be violated, no account will be taken of that Shareholder's vote on any list filed.	26.3 Each shareholder may file, or act in concert in filing, one list only. Should this rule be violated, no account will be taken of that Shareholder's vote on any list filed.
<p>26.4 Lists signed by the Board of Directors and by the Shareholders filing said lists must, on penalty of lapse, be filed together with a declaration confirming the absence of agreements or links of any nature with other Shareholders filing the other lists at the registered office at least twenty-five days prior to the date set for the Shareholders' Meeting. The lists must be made available to the public in accordance with the terms and deadlines indicated in art. 17.5.</p> <p>By the deadline established for the filing of lists, declarations must also be filed in which the individual candidates accept their candidacy and, under their own responsibility, declare the lack of any cause for ineligibility or incompatibility as envisaged by law, the possession of integrity and professional requisites established by law for members of the Board of Statutory Auditors and the list of directorship or audit-related offices held with other companies. The list for which the aforementioned rulings are not observed, or does not include candidates of different gender, according to provisions set forth by art. 26.1 of the Articles of Association, shall be deemed to be unfiled.</p> <p>All parties entitled to vote may vote one list only.</p>	<p>26.4 Lists signed by the Board of Directors and by the Shareholders filing said lists must, on penalty of lapse, be filed together with a declaration confirming the absence of agreements or links of any nature with other Shareholders filing the other lists at the registered office at least twenty-five days prior to the date set for the Shareholders' Meeting. The lists must be made available to the public in accordance with the terms and deadlines indicated in art.17.5.</p> <p>By the deadline established for the filing of lists, declarations must also be filed in which the individual candidates accept their candidacy and, under their own responsibility, declare the lack of any cause for ineligibility or incompatibility as envisaged by law, the possession of integrity and professional requisites established by law for members of the Board of Statutory Auditors and the list of directorship or audit-related offices held with other companies. The list for which the aforementioned rulings are not observed, or does not include candidates of different gender, according to provisions set forth by art. 26.1 of the Articles of Association, shall be deemed to be unfiled.</p> <p>All parties entitled to vote may vote one list only.</p>
26.5 Two Standing Auditors and one Alternate Auditor, of whom at least (1) one Standing Auditor of the least represented gender, shall be appointed from the list obtaining the highest	26.5 Two Standing Auditors and one Alternate Auditor, of whom at least (1) one Standing Auditor of the least represented gender, shall be appointed from the list obtaining the highest

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<p>number of Shareholders' votes, in the consecutive order in which they appear on the list.</p> <p>The third Standing Auditor and the remaining Alternate Auditor shall be appointed from the other lists, respectively electing the first and second candidate from the list obtaining the second highest quotient, of whom at least one (1) Alternate Auditor of least represented gender. In the event of equal votes for two or more lists, the most senior candidate shall be appointed Auditor, in compliance with the gender balance criterion, as set out by legislation, including regulations in force.</p> <p>If the minimum number of Standing and Alternate Auditors belonging to the least represented gender is not elected, the candidate of the most represented gender ranking last in the list of candidates elected from the most voted list shall be replaced by the candidate of the least represented gender ranking first among the non-elected candidates of the same list and so on until the minimum number of Auditors belonging to the least represented gender is reached. If, albeit applying this criterion, the minimum number of Auditors of the least represented gender has not been reached, the aforesaid replacement criterion will be applied to minority lists, starting from the most voted one.</p>	<p>number of Shareholders' votes, in the consecutive order in which they appear on the list.</p> <p>The third Standing Auditor and the remaining Alternate Auditor shall be appointed from the other lists, respectively electing the first and second candidate from the list obtaining the second highest quotient, of whom at least one (1) Alternate Auditor of least represented gender. In the event of equal votes for two or more lists, the most senior candidate shall be appointed Auditor, in compliance with the gender balance criterion, as set out by legislation, including regulations in force.</p> <p>If the minimum number of Standing and Alternate Auditors belonging to the least represented gender is not elected, the candidate of the most represented gender ranking last in the list of candidates elected from the most voted list shall be replaced by the candidate of the least represented gender ranking first among the non-elected candidates of the same list and so on until the minimum number of Auditors belonging to the least represented gender is reached. If, albeit applying this criterion, the minimum number of Auditors of the least represented gender has not been reached, the aforesaid replacement criterion will be applied to minority lists, starting from the most voted one.</p>
<p>26.6 Chairmanship of the Board of Statutory Auditors is assigned to the first candidate on the list obtaining the second highest quotient.</p> <p>In the event of equal votes for two or more lists, the most senior candidate shall be appointed Chairman, in compliance with the gender balance criterion, as set out by legislation, including regulations in force.</p> <p>For the appointment of Auditors who for</p>	<p>26.6 Chairmanship of the Board of Statutory Auditors is assigned to the first candidate on the list obtaining the second highest quotient.</p> <p>In the event of equal votes for two or more lists, the most senior candidate shall be appointed Chairman, in compliance with the gender balance criterion, as set out by legislation, including regulations in force.</p> <p>For the appointment of Auditors who for</p>

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<p>any reason are not appointed via the list voting procedure, the Shareholders' Meeting shall resolve by majority vote in accordance with law, in compliance with the gender balance criterion, as set out by legislation, including regulations in force.</p>	<p>any reason are not appointed via the list voting procedure, the Shareholders' Meeting shall resolve by majority vote in accordance with law, in compliance with the gender balance criterion, as set out by legislation, including regulations in force.</p>
<p>26.7 In the event of replacement of a Standing Auditor, the Alternate Auditor from the same list as the Standing Auditor shall be appointed, in compliance with the obligatory minorities representation and gender balance principle.</p> <p>The appointment of Auditors to integrate the Board of Statutory Auditors, pursuant to art. 2401 of the Italian Civil Code, shall be performed by the Shareholders' Meeting, by majority vote in accordance with legal provisions, from among the candidates nominated by the same Shareholders that filed the list from which the former Auditor was appointed to office, in compliance with the obligatory minorities representation and gender balance principle. Where such a procedure is not possible, the Shareholders' Meeting shall appoint the replacement by majority vote, in compliance with the gender balance criterion, as set out by legislation, including regulations in force.</p>	<p>26.7 In the event of replacement of a Standing Auditor, the Alternate Auditor from the same list as the Standing Auditor shall be appointed, in compliance with the obligatory minorities representation and gender balance principle.</p> <p>The appointment of Auditors to integrate the Board of Statutory Auditors, pursuant to art. 2401 of the Italian Civil Code, shall be performed by the Shareholders' Meeting, by majority vote in accordance with legal provisions, from among the candidates nominated by the same Shareholders that filed the list from which the former Auditor was appointed to office, in compliance with the obligatory minorities representation and gender balance principle. Where such a procedure is not possible, the Shareholders' Meeting shall appoint the replacement by majority vote, in compliance with the gender balance criterion, as set out by legislation, including regulations in force.</p>
<p>26.8 The Shareholders' Meeting shall establish the fees payable to Auditors, in addition to the reimbursement of expenses incurred for related official duties.</p> <p>The powers, duties and term of office of Auditors shall be those established by law.</p>	<p>26.8 The Shareholders' Meeting shall establish the fees payable to Auditors, in addition to the reimbursement of expenses incurred for related official duties.</p> <p>The powers, duties and term of office of Auditors shall be those established by law.</p>
<p>ART. 34 EFFECTIVENESS OF THE PROVISIONS ON EQUAL ACCESS TO DIRECTORSHIP AND SUPERVISORY BODIES</p>	<p>ART. 34 EFFECTIVENESS OF THE PROVISIONS ON EQUAL ACCESS TO DIRECTORSHIP AND SUPERVISORY BODIES</p>
<p>All the provisions of the Articles of Association concerning gender balance, introduced in Articles 16.1, 17.1, 17.2, 17.7, 17.9, 17.10, 26.1, 26.4,</p>	<p>All the provisions of the Articles of Association concerning gender balance, introduced in Articles 16.1, 17.1, 17.2, 17.7, 17.9, 17.10, 26.1, 26.4,</p>

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26.5, 26.6 and 26.7 shall apply to the first renewal of the management and supervisory bodies following the approval thereof by the Shareholders' Meeting and shall apply for three consecutive tenures.	26.5, 26.6 and 26.7 shall apply to the first renewal of the management and supervisory bodies following the approval thereof by the Shareholders' Meeting and shall apply for three consecutive tenures.

Shareholders who did not contribute to the approval of the proposed amendments shall not have any right of withdrawal pursuant to Article 2437 of the Italian Civil Code.

Proposed resolution

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

“The Extraordinary Shareholders’ Meeting of HERA S.p.A.:

- *after hearing the presentation of the Chairman;*
- *after acknowledging the report of the Board of Directors and related proposals;*

resolves

(i) to amend articles 16 and 26, as well as to cancel article 34 of the Articles of Association, as highlighted in the comparison text regarding the proposed amendments;

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ART. 16 THE BOARD OF DIRECTORS	ART. 16 THE BOARD OF DIRECTORS
16.1 The company is administered by a Board of Directors comprising 15 (fifteen) members, including non-Shareholders, with a term of office of three financial years expiring on the date of the Shareholders’ Meeting called to approve the financial statements for the final year of office. The Board of Directors can be re-elected and lapse in accordance with law. The composition of the Board of Directors, starting from the first renewal of the executive body following the entry into force and the effectiveness of provisions set out by Law no. 120 of 12 July 2011 and with reference to the first three consecutive tenures, must ensure compliance with legislation, including regulations, in force regarding gender balance.	16.1 The company is administered by a Board of Directors comprising 15 (fifteen) members, including non-Shareholders, with a term of office of three financial years expiring on the date of the Shareholders’ Meeting called to approve the financial statements for the final year of office. The Board of Directors can be re-elected and lapse in accordance with law. The composition of the Board of Directors, starting from the first renewal of the executive body following the entry into force and the effectiveness of provisions set out by Law no. 120 of 12 July 2011 and with reference to the first three consecutive tenures, must ensure compliance with legislation, including regulations, in force regarding gender balance.

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<p>ART. 26 APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS</p>	<p>ART. 26 APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS</p>
<p>26.1 Appointment of the Board of Statutory Auditors shall be based on lists filed by Shareholders, by the same procedure as described above to guarantee minority Shareholders the appointment of one Standing Auditor and one Alternate Auditor. Municipal and Provincial Authorities or Consortiums established pursuant to art. 31, of Italian Legislative Decree no. 267/2000 or other Entities and Public Authorities and consortiums or joint stock companies, directly or indirectly controlled by such entities, shall act in concert to file a single list until such a time as qualification as an entity with a predominantly public capital pursuant to art. 7 no longer applies.</p> <p>The composition of the Board of Statutory Auditors, starting from the first renewal of the supervisory body following the entry into force and the effectiveness of provisions set out by Law no. 120 of 12 July 2011 and with reference to the first three consecutive tenures, must ensure compliance with legislation, including regulations, in force regarding gender balance.</p> <p>The lists shall contain a number of candidates not exceeding the number of members to be elected, listed by consecutive numbering. Each candidate may be included on one list only, on penalty of disqualification. Each list must contain a number of candidates, belonging to the least represented gender, which ensures that the balance between genders is respected at least to the minimum extent required by current legislation, including regulations, as well as by the Articles of Association. Lists with less than 3 (three) candidates are exempt from this constraint.</p>	<p>26.1 Appointment of the Board of Statutory Auditors shall be based on lists filed by Shareholders, by the same procedure as described above to guarantee minority Shareholders the appointment of one Standing Auditor and one Alternate Auditor. Municipal and Provincial Authorities or Consortiums established pursuant to art. 31, of Italian Legislative Decree no. 267/2000 or other Entities and Public Authorities and consortiums or joint stock companies, directly or indirectly controlled by such entities, shall act in concert to file a single list until such a time as qualification as an entity with a predominantly public capital pursuant to art. 7 no longer applies.</p> <p>The composition of the Board of Statutory Auditors, starting from the first renewal of the supervisory body following the entry into force and the effectiveness of provisions set out by Law no. 120 of 12 July 2011 and with reference to the first three consecutive tenures, must ensure compliance with legislation, including regulations, in force regarding gender balance.</p> <p>The lists shall contain a number of candidates not exceeding the number of members to be elected, listed by consecutive numbering. Each candidate may be included on one list only, on penalty of disqualification. Each list must contain a number of candidates, belonging to the least represented gender, which ensures that the balance between genders is respected at least to the minimum extent required by current legislation, including regulations, as well as by the Articles of Association. Lists with less than 3 (three) candidates are exempt from this constraint.</p>

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<p>26.2 Lists may be filed by individual Shareholders or groups of Shareholders that represent at least 1% (one per cent) of the share capital at ordinary Shareholders' meetings, or other percentage as envisaged in current regulations and indicated in the notice of call.</p>	<p>26.2 Lists may be filed by individual Shareholders or groups of Shareholders that represent at least 1% (one per cent) of the share capital at ordinary Shareholders' meetings, or other percentage as envisaged in current regulations and indicated in the notice of call.</p>
<p>26.3 Each shareholder may file, or act in concert in filing, one list only. Should this rule be violated, no account will be taken of that Shareholder's vote on any list filed.</p>	<p>26.3 Each shareholder may file, or act in concert in filing, one list only. Should this rule be violated, no account will be taken of that Shareholder's vote on any list filed.</p>
<p>26.4 Lists signed by the Board of Directors and by the Shareholders filing said lists must, on penalty of lapse, be filed together with a declaration confirming the absence of agreements or links of any nature with other Shareholders filing the other lists at the registered office at least twenty-five days prior to the date set for the Shareholders' Meeting. The lists must be made available to the public in accordance with the terms and deadlines indicated in art. 17.5.</p> <p>By the deadline established for the filing of lists, declarations must also be filed in which the individual candidates accept their candidacy and, under their own responsibility, declare the lack of any cause for ineligibility or incompatibility as envisaged by law, the possession of integrity and professional requisites established by law for members of the Board of Statutory Auditors and the list of directorship or audit-related offices held with other companies. The list for which the aforementioned rulings are not observed, or does not include candidates of different gender, according to provisions set forth by art. 26.1 of the Articles of Association, shall be deemed to be unfiled.</p> <p>All parties entitled to vote may vote one list only.</p>	<p>26.4 Lists signed by the Board of Directors and by the Shareholders filing said lists must, on penalty of lapse, be filed together with a declaration confirming the absence of agreements or links of any nature with other Shareholders filing the other lists at the registered office at least twenty-five days prior to the date set for the Shareholders' Meeting. The lists must be made available to the public in accordance with the terms and deadlines indicated in art. 17.5.</p> <p>By the deadline established for the filing of lists, declarations must also be filed in which the individual candidates accept their candidacy and, under their own responsibility, declare the lack of any cause for ineligibility or incompatibility as envisaged by law, the possession of integrity and professional requisites established by law for members of the Board of Statutory Auditors and the list of directorship or audit-related offices held with other companies. The list for which the aforementioned rulings are not observed, or does not include candidates of different gender, according to provisions set forth by art. 26.1 of the Articles of Association, shall be deemed to be unfiled.</p> <p>All parties entitled to vote may vote one list only.</p>

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<p>26.5 Two Standing Auditors and one Alternate Auditor, of whom at least (1) one Standing Auditor of the least represented gender, shall be appointed from the list obtaining the highest number of Shareholders' votes, in the consecutive order in which they appear on the list.</p> <p>The third Standing Auditor and the remaining Alternate Auditor shall be appointed from the other lists, respectively electing the first and second candidate from the list obtaining the second highest quotient, of whom at least one (1) Alternate Auditor of least represented gender. In the event of equal votes for two or more lists, the most senior candidate shall be appointed Auditor, in compliance with the gender balance criterion, as set out by legislation, including regulations in force.</p> <p>If the minimum number of Standing and Alternate Auditors belonging to the least represented gender is not elected, the candidate of the most represented gender ranking last in the list of candidates elected from the most voted list shall be replaced by the candidate of the least represented gender ranking first among the non-elected candidates of the same list and so on until the minimum number of Auditors belonging to the least represented gender is reached. If, albeit applying this criterion, the minimum number of Auditors of the least represented gender has not been reached, the aforesaid replacement criterion will be applied to minority lists, starting from the most voted one.</p>	<p>26.5 Two Standing Auditors and one Alternate Auditor, of whom at least (1) one Standing Auditor of the least represented gender, shall be appointed from the list obtaining the highest number of Shareholders' votes, in the consecutive order in which they appear on the list.</p> <p>The third Standing Auditor and the remaining Alternate Auditor shall be appointed from the other lists, respectively electing the first and second candidate from the list obtaining the second highest quotient, of whom at least one (1) Alternate Auditor of least represented gender. In the event of equal votes for two or more lists, the most senior candidate shall be appointed Auditor, in compliance with the gender balance criterion, as set out by legislation, including regulations in force.</p> <p>If the minimum number of Standing and Alternate Auditors belonging to the least represented gender is not elected, the candidate of the most represented gender ranking last in the list of candidates elected from the most voted list shall be replaced by the candidate of the least represented gender ranking first among the non-elected candidates of the same list and so on until the minimum number of Auditors belonging to the least represented gender is reached. If, albeit applying this criterion, the minimum number of Auditors of the least represented gender has not been reached, the aforesaid replacement criterion will be applied to minority lists, starting from the most voted one.</p>
<p>26.6 Chairmanship of the Board of Statutory Auditors is assigned to the first candidate on the list obtaining the second highest quotient.</p> <p>In the event of equal votes for two or more lists, the most senior candidate</p>	<p>26.6 Chairmanship of the Board of Statutory Auditors is assigned to the first candidate on the list obtaining the second highest quotient.</p> <p>In the event of equal votes for two or more lists, the most senior candidate</p>

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<p>shall be appointed Chairman, in compliance with the gender balance criterion, as set out by legislation, including regulations in force.</p> <p>For the appointment of Auditors who for any reason are not appointed via the list voting procedure, the Shareholders' Meeting shall resolve by majority vote in accordance with law, in compliance with the gender balance criterion, as set out by legislation, including regulations in force.</p>	<p>shall be appointed Chairman, in compliance with the gender balance criterion, as set out by legislation, including regulations in force.</p> <p>For the appointment of Auditors who for any reason are not appointed via the list voting procedure, the Shareholders' Meeting shall resolve by majority vote in accordance with law, in compliance with the gender balance criterion, as set out by legislation, including regulations in force.</p>
<p>26.7 In the event of replacement of a Standing Auditor, the Alternate Auditor from the same list as the Standing Auditor shall be appointed, in compliance with the obligatory minorities representation and gender balance principle.</p> <p>The appointment of Auditors to integrate the Board of Statutory Auditors, pursuant to art. 2401 of the Italian Civil Code, shall be performed by the Shareholders' Meeting, by majority vote in accordance with legal provisions, from among the candidates nominated by the same Shareholders that filed the list from which the former Auditor was appointed to office, in compliance with the obligatory minorities representation and gender balance principle. Where such a procedure is not possible, the Shareholders' Meeting shall appoint the replacement by majority vote, in compliance with the gender balance criterion, as set out by legislation, including regulations in force.</p>	<p>26.7 In the event of replacement of a Standing Auditor, the Alternate Auditor from the same list as the Standing Auditor shall be appointed, in compliance with the obligatory minorities representation and gender balance principle.</p> <p>The appointment of Auditors to integrate the Board of Statutory Auditors, pursuant to art. 2401 of the Italian Civil Code, shall be performed by the Shareholders' Meeting, by majority vote in accordance with legal provisions, from among the candidates nominated by the same Shareholders that filed the list from which the former Auditor was appointed to office, in compliance with the obligatory minorities representation and gender balance principle. Where such a procedure is not possible, the Shareholders' Meeting shall appoint the replacement by majority vote, in compliance with the gender balance criterion, as set out by legislation, including regulations in force.</p>
<p>26.8 The Shareholders' Meeting shall establish the fees payable to Auditors, in addition to the reimbursement of expenses incurred for related official duties.</p> <p>The powers, duties and term of office of Auditors shall be those established by law.</p>	<p>26.8 The Shareholders' Meeting shall establish the fees payable to Auditors, in addition to the reimbursement of expenses incurred for related official duties.</p> <p>The powers, duties and term of office of Auditors shall be those established by law.</p>
<p>ART. 34 EFFECTIVENESS OF THE PROVISIONS ON EQUAL ACCESS TO</p>	<p>ART. 34 EFFECTIVENESS OF THE PROVISIONS ON EQUAL ACCESS TO</p>

TEXT CURRENTLY IN FORCE	PROPOSED AMENDMENTS
<p>DIRECTORSHIP AND SUPERVISORY BODIES</p> <p>All the provisions of the Articles of Association concerning gender balance, introduced in Articles 16.1, 17.1, 17.2, 17.7, 17.9, 17.10, 26.1, 26.4, 26.5, 26.6 and 26.7 shall apply to the first renewal of the management and supervisory bodies following the approval thereof by the Shareholders' Meeting and shall apply for three consecutive tenures.</p>	<p>DIRECTORSHIP AND SUPERVISORY BODIES</p> <p>All the provisions of the Articles of Association concerning gender balance, introduced in Articles 16.1, 17.1, 17.2, 17.7, 17.9, 17.10, 26.1, 26.4, 26.5, 26.6 and 26.7 shall apply to the first renewal of the management and supervisory bodies following the approval thereof by the Shareholders' Meeting and shall apply for three consecutive tenures.</p>

- (ii) *to vest the Chairman with the widest powers to provide, also by means of attorneys, for what is required, necessary or useful for the execution of what has been decided, including the power:*
- *to sign and publish any document, deed and/or statement useful or appropriate thereto, as well as any notice required by current legislation, including applicable regulations;*
 - *to generally provide for all that is required, necessary and useful for the thorough implementation of the above resolution, assuming any changes of a non-material nature that may be required by the competent authorities, including for registration in the Register of Companies".*

Bologna, 19 February 2020

The Executive Chairman of the Board of Directors
(Tomaso Tommasi di Vignano)