

Repertory n. 57909

Depositary n. 36914

**MINUTES OF THE ORDINARY AND EXTRAORDINARY 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-eighth of April two thousand sixteen at 10.25 a.m.

In Bologna, at 2/4 Viale Carlo Berti Pichat.

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

appeared

- TOMMASI DI VIGNANO Tomaso, born in Brescia on 14 July 1947, domiciled for the office in Bologna (BO), Viale Carlo Berti Pichat 2/4, who was proceeding herein as Chairman of the Board of Directors of "**HERA S.p.A.**" with registered office in Bologna (BO), Viale Carlo Berti Pichat 2/4, with share capital amounting to € 1,489,538,745.00 (one billion four hundred eighty-nine million five hundred thirty-eight thousand seven hundred forty-five point zero zero), subscribed and paid-up, registered at the Bologna Companies' Register with tax code and VAT number 04245520376, R.E.A. number BO-363550 (hereinafter also "**Hera**" or the "**Company**"). Said appearing party, an Italian citizen, of whose personal identity I, the Notary Public, am certain, declares that the Ordinary and Extraordinary Shareholders' Meeting of the aforementioned Company was convened at a single call in this location, on this date and at this time, by way of a notice communicated to the market and made available on the Company's website, as well as on the daily newspaper "MF" on 25 March 2016, to discuss and resolve upon the following

AGENDA

**Ordinary Part**

1. Financial statements for the year ended 31 December 2015, Management report, Profit allotment proposal and Board of Statutory Auditors and Independent Auditors' report: related and consequent resolutions. Presentation of the consolidated financial statements at 31 December 2015.
2. Presentation of the Corporate governance report and non-binding resolution pertaining to remuneration policies.
3. Renewal of authorisation to purchase treasury shares and procedures for arrangement of the same: related and consequent resolutions.

**Extraordinary Part**

1. Amendment of article 4 of the Articles of Association: related and 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 said appearing



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party, who ascertained that:

- the meeting had been duly convened in accordance with articles 9 and 10 of the Articles of Association;

- in attendance for the Board of Directors were not only said Chairman, but also the following directors:

- Stefano Venier, Chief Executive Officer;
- Giovanni Basile, Vice Chairman;
- Mara Bernardini, Director;
- Forte Clò, Director;
- Giorgia Gagliardi, Director;
- Massimo Giusti, Director;
- Riccardo Illy, Director;
- Stefano Manara, Director;
- Luca Mandrioli, Director;
- Danilo Manfredi, Director;
- Cesare Pillon, Director;
- Bruno Tani, Director;

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

- Sergio Santi, Chairman of the Board of Statutory Auditors;
- Marianna Girolomini, Member of the Board of Statutory Auditors;

• Antonio Gaiani, Member of the Board of Statutory Auditors;

- 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;

- authorised journalists attended at a location outside the meeting site, with a closed-circuit TV connection, as provided for by Article 2 of the Shareholders' Meeting Regulations;

- pursuant to Article 2 of the Shareholders' Meeting Regulations, attendance by support service personnel was allowed, identified by special staff badges: such staff were present to deal with the technical and organisational requirements of the proceedings;

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

- the Company had engaged Computershare S.p.A. as its Designated Representative, pursuant to Article 135-undecies of Legislative Decree 58/1998 (hereinafter also "TUF");

- as of today's date, the share capital totals € 1,489,538,745.00 (one billion four hundred eighty-nine million five hundred thirty-eight thousand seven hundred forty-five point zero zero), fully paid up, and divided into 1,489,538,745 (one billion four hundred eighty-nine million five hundred thirty-eight thousand seven hundred forty-five) ordinary shares with a nominal value of € 1 (one) each, of which 1,472,456,790 (one billion four hundred seventy-two four hundred fifty-six thousand seven hundred ninety) carry

the right to intervene and vote at this Shareholders' Meeting, with Hera S.p.A. currently holding 17,081,955 (seventeen million eighty-one thousand nine hundred fifty-five) treasury shares;

- verifications were made, by personnel engaged for this purpose, of the personal identity and legitimacy of the parties attending for the purposes of participating in the Shareholders' Meeting, as well as of the validity of the proxies submitted, which documents were entered into the Company's records and a detailed list of which is attached hereto as **Appendix A**), in accordance with Appendix 3E of the regulations implementing Legislative Decree 58/1998, adopted by Consob Resolution 11,971 of 14 May 1999 as amended, and Article 2375 of the Italian Civil Code.

Therefore:

- considering that, with reference to current legal provisions and the Articles of Association, the Ordinary Shareholders' Meeting is duly convened and resolves regardless of the portion of the share capital represented by the shareholders in attendance, while the Extraordinary Shareholders' Meeting is duly convened, at a single call, with the participation of more than one fifth of the share capital;

- having ascertained the presence at the Meeting of those holding shares bearing the right to vote, a list of whose names is included in the above-mentioned Appendix A), the Chairman declared, based on the powers conferred on 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 engaged me, the Notary, to draft the respective minutes.

According to the provisions of Article 5 of the Shareholders' Meeting Regulations, the items on the Agenda would be dealt with in the order indicated above.

Before proceeding to discuss the items on the Agenda, the Chairman also noted that:

a) based on the contents of the Shareholders' Register, taking into account the updates pertaining to today's Meeting, all notifications received and any other available information, the shareholders directly or indirectly holding an interest in the share capital in excess of 3% (three per cent) were the following:

- Municipality of Bologna, 144,951,776 shares;
- Municipality of Imola, directly, 71,480 shares;
- Municipality of Imola, through CON.AMI, 103,294,164 shares;
- Municipality of Modena, 97,107,948 shares;
- Municipality of Ravenna, directly, 1,000 shares;
- Municipality of Ravenna, through Ravenna Holding S.p.A., 82,726,545 shares;

- Municipality of Trieste, 68,569,983 shares;
- Municipality of Padua, 63,073,356 shares.

The Chairman then went on to explain the operational procedures for carrying out the proceedings of today's 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 was to be used to record attendance, including each entry into and exit from the meeting room so as to allow proper recording in the minutes, and to cast the vote, and had to be returned to the staff responsible at the end of the Meeting;
- d) voting would therefore take place via the "radiovoter";
- e) detailed instructions for using the "radiovoter" could be found in a specific document contained in the folder provided at reception;
- f) votes against and abstentions thus cast, as well as non-voters, would be automatically recorded and included in a breakdown provided in an appendix to the minutes of the Meeting;
- g) Shareholders holding proxies who intended to cast votes that varied among the overall amount of shares represented were to go to the special voting station indicated above ("assisted voting");
- h) shareholders were strongly encouraged not to enter and exit the room during voting operations, to facilitate a proper attendance count;
- i) shareholders were invited to participate and take part in the discussion, pursuant to the provisions of Article 6 of the Shareholders' Meeting Regulations, which would be strictly applied during the current 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 conclusion of all statements on each agenda item discussed, responses would be provided to the shareholders' requests, with the possible suspension of the Meeting's proceedings for a limited amount of time, as allowed for 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 Regulation - taking into account the subject and the relevance of the single agenda items put up for discussion - the Chairman proposed that the maximum duration for statements be set beforehand at ten minutes, and at five minutes for replies;

n) all those interested in requesting the floor were asked to proceed, with the appropriate form found in the folder provided to attendees 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 recorded in the minutes in an abbreviated 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 Ordinary Shareholders' Meeting would adopt resolutions by absolute majority of the capital represented by the shareholders present, while the Extraordinary Shareholders' Meeting would adopt resolutions based on the vote in favour of at least two thirds of the capital represented at the Meeting, pursuant to article 14 of the Articles of Association;

q) a voice amplification system would be installed in the room, and an audio-visual recording would be carried out for the sole purpose of facilitating the drawing up of the minutes, as allowed for by Article 3 of the Shareholders' Meeting Regulations.

The Chairman declared that the requirements relating to the formulation of the Meeting had been fulfilled and, on behalf of the entire Board of Directors, thanked the shareholders for attending with the following welcoming speech, transcribed here in its entirety:

*"Dear Shareholders,*

*We hereby submit to your approval the financial statements which reflect the activities carried out by the Company over 2015.*

*The Country's overall economic situation, after many years of crisis, has shown some initial positive signs concerning above all gross domestic product, to a limited degree however, inferior to expectations.*

*Energy consumption felt the impact of climactic factors to a lesser extent than in the previous year, but nevertheless remained somewhat below long-term average seasonal trends.*

*Within this context, **Group results** nevertheless allowed a **further positive year** to be added to the uninterrupted series of similar results achieved since the Group's foundation.*

*The economic results included **884 million in EBITDA**, showing an increase of 2%, with **Group EBIT reaching 180 million**, growing by 9.5% over the previous year.*

This economic growth was once again accompanied by the good results seen in the area of **financial solidity**, and by **positive signals in the stock's recognised value** (2.44 euro at the end of the year), with a growth over the year of 25.2%, leading the Hera Group's market value to exceed 3.6 billion euro.

These results can be considered as the upshot of a series of well-designed actions implemented in the areas of efficiency and cost containment. The increment thus created was largely due to organic growth, in both regulated sectors and those now on the free market, through the acquisition of further market shares.

The 2015 results were also marked by a significant contribution coming from the most recently acquired geographical areas. Thanks to the progressive integration of the latter within the Group, growth was seen in the amount of synergies expressed by these areas, as foreseen by the five-year strategic plan, leading to further growth in EBITDA per employee.

Lesser opportunities instead arose for operations aimed at enlarging the geographical area in which the Group is active. This was perhaps due among other things to a delay, which lasted throughout the year, in adopting legislation and regulations intended to accompany the process of sector consolidation and industrialisation, and only took concrete shape after the end of the year.

Steps were taken, in any case, in this area as well, working towards development by external lines through a number of operations which, although not as consistent as those carried out in the past, grasped a few new market opportunities. They will reveal their full contribution to growth in results in 2016, and are to be added to the benefits deriving from the completion of the integration of Amga Udine within the company's operating area.

Overall **net investments** rose to **333 million**, to a substantial degree and in line with the figures foreseen by the plan. Resource generation, in addition to guaranteeing full coverage of investment requirements and dividend payments as well as the completion of the acquisitions mentioned above, allowed for **further improvement in the financial solidity indicator** with a net debt to EBITDA ratio of 3, thus obtaining a **reinforcement of the Group's financial standing**, recognised by Moody's with an improvement in its long-term outlook.

This year as well, as has long since been taken into account, we are able to put forward to the Meeting a dividend per share similar to the one distributed last year, in line with the five-year business plan, which has recently been renewed. This has confirmed the Group's strategic viability and increased its prospects for economic-financial growth.

*In terms of service quality, the Group obtained yet again **positive feedback from customers**, with significant improvements in all sustainability indicators, as illustrated in the sustainability report.*

*In conclusion, the year in question tested our ability to face a complex scenario and respect our commitments as regards the implementation of strategic choices, put into effect thanks to the contribution of the entire corporate structure, which in 2015 obtained numerous recognitions concerning the Company's standing.*

*We therefore submit to your attention the results of this action, committed as we are to facing the upcoming challenges that await the Group this year, the third of its mandate."*

While the Chairman was reading this presentation to the Shareholders, a slide was projected - attached hereto as **Appendix B1** - containing a diagram that illustrated the Company stock's performance over the last four years.

The Chairman then proceeded to discuss the first item on the agenda for the Ordinary Part.

**1. Financial statements for the year ended 31 December 2015, Management report, Profit allotment proposal and Board of Statutory Auditors and Independent Auditors' report: related and consequent resolutions. Presentation of the consolidated financial statements at 31 December 2015.**

The Chairman, with the approval of the attendees, refrained from reading the entire Management Report drafted by the Board of Directors, as well as the reports prepared by the Statutory Auditors and the Independent Auditors concerning both the financial statements and the consolidated financial statements, for which reference is made to the files contained in the documentation concerning the statements, contained in the folder provided at reception.

This was intended to leave more room for discussion, thus dedicating more time to dealing with those issues that most merited the Meeting's attention and were to be treated in greater detail.

He then gave the floor to the CEO, who illustrated the Group's performance in 2015.

CEO Stefano Venier proceeded with an account of the Hera Group's performance, dwelling on the most relevant facts occurred in 2015 and commenting on the information contained in the diagrams that were simultaneously projected on the screens behind him, printouts of which are attached hereto as **Appendix B2**.

The Chairman then took the floor once again.

Making reference to the 18 April 1996 CONSOB notice, he clarified that in conducting the audit and certification of the 2015 separate and consolidated financial statements, Deloitte & Touche S.p.A. spent 3,070 (three thousand and seventy) hours and was compensated with Euro 105,000 (one

hundred and five thousand).

Submission of requests for the floor and opening of the  
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 found 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 said list in the event of additional requests submitted during the statements.

Following the order in which the requests to take the floor were submitted, he invited the first person who had made such a request to come to the podium, reminding those concerned to keep their statements to 10 minutes.

The floor was first taken by shareholder Enrico Nannetti, who, declaring that his intervention represented the Minor Shareholders of the Hera Group, shared, regarding management results, the Chairman's pride as to the objectives reached, in particular those involving interventions on plants in Frullo, Ravenna (sludge treatment) and Rimini (purification).

As regards the positive effects ensuing from Hera's use of suppliers located within the geographical areas served by the Company, he observed, speaking personally, that the new meter installed at his residence was in fact produced by a local company, from Concordia, to be specific.

He furthermore noted that an agreement had been reached with "BIO-ON S.p.A.", a leader in eco-sustainable chemical technologies, and expressed his wish that further space be found for a company from Imola that operates in the sector of plastic production, which in his opinion is in line with Hera's standards.

He expressed a few doubts only concerning the Company's growth - which he defined as 'dimensional growth' - in light of the fact that the companies that founded Hera did not bring any debt to the Group.

He therefore wondered how the Group's overall exposure can be justified, remaining as it does in line with the previous year, the consequence being that the burden caused by interest could harm growth. He then asked for clarifications as to possible strategies in debt reduction.

He additionally proposed the adoption of an integrated growth strategy, to be achieved through the acquisition of companies with specific competencies.

He expressed a desire for collaborations with other multi-utilities, involving both research and development and the creation of purchasing groups.

The Chairman responded, specifying that part of his questions had already been answered in the illustration of the financial statements provided a few moments earlier by the



CEO.

He thanked the shareholder for having underlined the high degree of attention shown towards innovation by the Company, with the various start-ups developed across its reference area and the creation of a Company management centre dedicated to Innovation.

As regards the growth model, he specified that the Company has always tried to balance so-called organic growth, understood as greater efficiency, and an expansion of the area in which it operates, bearing in mind above all the Country's strong tendency to reduce the number of operators, along with the choice made of taking as references the positive parameters, in matters related to debt as well, that are recommended by rating firms. He insisted, in any case, that the mixture of organic growth and percentage growth can vary from one year to the next growth according to current circumstances.

He also specified that Hera has chosen - coherently with its budget objectives - to pursue its own growth strategies, in order to guarantee the company's development.

He reminded those present, therefore, that the business plan includes a commitment to enlarge the area covered by the Group.

As regards debt, he emphasised the considerable investments made by the Company, in particular in the water sector.

He lastly guaranteed that the Company would continue to sustain initiatives involving innovative start-up companies.

The floor was then taken by Prof. Furio Honsell, Mayor of Udine, who reminded those present that the Municipality he represents is one of the most recent to have become part of the geographical area managed by Hera, as the outcome of a highly debated process.

He expressed his appreciation of the fact that Hera is a remarkably trustworthy company and is marked at the same time by a strong social commitment in the areas served, clarifying that he was also speaking as the President of Hera S.p.A.'s Union Committee.

He furthermore expressed great satisfaction not only for the Company's financial reliability, but also for the guarantees it provides in the area of innovation and service quality.

He concluded by observing that, within that same day, the Municipality of Udine was to approve an act (so-called Compact of Mayors) concerning that which local authorities and the companies in which they hold shares can do to contribute to improving management of the water cycle and, more generally, eco-compatible energies.

He expressed his wish that the Company could become involved in these issues, including a strong commitment to reflecting on how it might be possible to collaborate with public administrations in order to meet commitments with the

European Union.

He withholds that Hera can represent a point of reference in fulfilling the objectives foreseen by the so-called Mayors Adapt.

He concluded by congratulating the Company, finding that its customers and employees, and more generally citizens at large, are highly satisfied.

The Chairman responded, emphasising his own satisfaction upon hearing Mayor Honsell positively judge, after two years, the impact that the Company has had on Udine and the surrounding area.

He believes that the issues mentioned concerning environmental commitment can also find space within the Conference dedicated to sustainability that the Company is currently planning for the upcoming month of September.

Since there were no further statements, he declared the discussion closed.

The Chairman then 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 relating to the first item on the agenda for the Ordinary Part:

"The Ordinary Shareholders' Meeting of HERA S.p.A.:

- having acknowledged the report prepared by the Board of Directors regarding management;
- having acknowledged the report prepared by the Board of Statutory Auditors;
- having acknowledged the report prepared by the Independent Auditors;
- having examined the financial statement as at 31 December 2015, that ends with a profit of Euro 171,977,932.13;

**resolves**

**a)** to approve the financial statement of Hera S.p.A. as at 31 December 2015 and the Report on management drafted by the Board of Directors;

**b)** to allocate the profit from 1 January 2015 - 31 December 2015, which is equal to Euro 171,977,932.13 as follows:

- \* Euro 8,598,896.61 to the legal reserve; and
- \* to distribute an overall dividend of Euro 0.09 gross for each ordinary share outstanding (thus excluding the treasury shares in the Company's portfolio) at the date of payment for said dividend;
- \* Euro 29,320,548.47 to the extraordinary reserve.

The overall distributable dividend thus amounts to Euro 134,058,487.05, corresponding to 0.09 euro for each ordinary share outstanding (thus excluding the treasury shares in the Company's portfolio);

**c)** to pay out the dividend beginning 22 June 2016, with the detachment of the coupon n. 14 on 20 June 2016, said dividend

being paid to shares registered on 21 June 2016;

d) to confer a mandate upon the Board of Directors and on their behalf to the Chairman to ascertain in due time, according to the definitive number of shares outstanding, the exact amount of profits distributed and, therefore, the exact amount of the extraordinary reserve."

Vote on the proposed resolution

The Chairman asked the attendees not to leave the room throughout the entire duration of the voting operations.

He then declared the voting procedure open on the proposed resolution concerning the first item on the agenda for the Ordinary Part.

Holders of proxies, intending to cast differing votes on the proposal, were asked to go to the "assisted voting" station.

The other Shareholders were asked to remain seated and cast their votes using the "radiovoters", according to the instructions given in the document included in the folder provided at reception.

The Chairman then asked voters to:

- press the button corresponding to the vote they wished to cast ("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" button;
- 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 staff if there were any reports from Shareholders intending to correct the vote cast using the "radiovoters".

He then declared the voting on the proposal indicated in the first item of the agenda for the Ordinary Part closed and asked a staff member to provide the results of the vote.

He then announced the outcome of the vote, the results of which are reproduced, in accordance with the above-mentioned Appendix 3E to Regulation 11,971 of 14 May 1999, in the document attached hereto as **Appendix C**):

having obtained the approval of shareholders representing an absolute majority of the share capital represented at the Meeting, as shown in the breakdown in the hereto attached document, and with

- 1,143,788,909 votes in favour, equal to 99.868487% of the ordinary shares represented;
- 9,642 votes against, equal to 0.000842% of the ordinary shares represented;
- 1,496,575 abstentions, equal to 0.130672% of the ordinary shares represented;
- 0 non-voters,

**the proposal was declared approved.**

The approved financial statements have been attached to these minutes as **Appendix D**).

The Chairman noted that the discussion of the first item on the agenda for the Ordinary Part was closed, and moved on to discuss the second item on the agenda for the Ordinary Part.

**2. Presentation of the corporate governance report and non-binding resolution concerning remuneration policies.**

The Chairman reminded attendees that the Corporate governance report prepared by the Board of Administration is a specific section of the Management report, pursuant to article 123-bis of the TUF, and was contained in the folder provided at reception. Therefore, with the consent of the attendees, he refrained from reading it in its entirety and referred directly to the text contained in the folder.

As regards the Report concerning remuneration policies, the Chairman briefly reminded attendees that the fundamental principle underlying the Group's business culture and guiding its choices was a commitment to combining economic and social value with the ultimate objective of satisfying the legitimate expectations of all stakeholders.

Remuneration policies are to be understood as a factor that contributes to improving the Company's performance and creating value in the medium-long term.

The Board of Directors, supported by the Remuneration Committee, developed the Remuneration Policy adopted by the Hera Group for 2015 in keeping with the recommendations outlined in Article 6 of the Borsa Italiana S.p.A.'s Code of Conduct.

The Report on Remuneration, prepared according to the requirements of Article 123-ter of Legislative Decree 58/1998 (TUF), therefore illustrates the principles and essential characteristics of the above-mentioned policies regarding the compensation offered to the group's senior figures, in particular the components of the administrative and management organs holding strategic responsibility within the Group.

He reminded attendees that, in accordance with the aforementioned Article 123-ter of Legislative Decree 58/1998, the resolution that would be reached in the current meeting regarding the first Section of the Report was not binding.

The company defines and applies a General Policy on Remuneration aimed at attracting, motivating and retaining human resources possessing the professional skills required to profitably pursue the Group's objectives.

The Policies are defined in such a way as to align the interests of Management with those of the Shareholders, pursuing the primary objective of creating sustainable value in the medium-long term by consolidating the correlation between compensation and performance, both individual and of the Group as a whole.

The Shareholders' Meeting determines the amount of compensation for the Board of Directors.

The Board of Directors in turn determines, in accordance with Article 2389 of the Italian Civil Code, the remuneration to which administrators holding particular positions are entitled.

The Executive chairman proposes the policies to be applied to the Group's directors to the Remuneration Committee, which assesses these recommendations and presents the policies to the Board of Directors.

The Remuneration Committee periodically evaluates the adequacy, overall consistency and implementation of the general policies governing the remuneration of executive administrators and the General Manager for Operations.

The guidelines adopted in remuneration policies for top management are as follows:

- ongoing monitoring of external markets, including the core sector, in order to verify the coherence of the company's wage scale, in view of both manager retention and cost avoidance;
- ensuring an internal consistency between the level of the wages offered and the complexity of the position held;
- using and constantly updating a methodology designed to assess positions, with the aim of ensuring that remunerative comparisons and analyses are homogeneous and consistent with the evolution of the Group's organizational structure over time.

The main components of remuneration within Hera are currently as follows:

1. Fixed remuneration, usually defined by the professional specialization and organizational role held and the responsibilities involved. It therefore reflects technical, professional and managerial competencies.

The level of remuneration is determined according to a system in which positions are weighed and a market comparison is conducted. Generally speaking, the wage scale is located in the mid-low bracket of the market (first quartile/median). Changes in individual remuneration are based on these market-based reference points together with an assessment of the individual's performance.

2. Short-term variable remuneration. The Balanced Scorecard (BSC) system is applied to top corporate positions as well as all the Directors and Managers of Hera S.p.A. and the Group's subsidiary companies.

The system of short-term incentivization involves assigning an individual Balanced Scorecard (BSC) score to each of the recipients, including a series of pre-set objectives which are tied to specific performance indicators.

For each objective, an expected result (target) is defined and the amount of the bonus to be paid is determined on the basis of the attainment of the objectives actually reached, and the specific weight of each individual objective.

The outcome of the assessment carried out using the above-mentioned individual Balanced Scorecard system is weighted in relation to corporate achievements, taking into account the Group's performance in relation to four specific parameters: EBITDA, Net result, Net financial position (NFP) and Customer Satisfaction Index (CSI).

Hera has chosen not to proceed with assigning highly volatile financial tools such as, for example, subscription privileges or other similar methods.

It should be noted that, in keeping with a policy of remunerative benchmarking that maintains a prudent stance towards market evolutions, trends in remunerating Hera S.p.A. administrators and management have been set below both the remuneration levels of other similar companies and the average rates for Italy's top one hundred listed companies by level of capital.

During the over ten years that have passed since the establishment of the Hera Group (2002), its results have consistently grown, the EBITDA having more than quadrupled over the years (from Euro 192 million in 2002 to over Euro 884 million in 2015).

Given the particular sensitivity of the issue of remuneration policies in the current historical moment, he noted that for over seven years, that is, since the beginning of the crisis, there had not been any corrections in the fixed remuneration offered to top managers and that not only had the market conditions been duly taken into account, but the organs in charge also made choices aimed at combining the objective of sobriety with the requirements arising from the need to ensure that the company continued to operate effectively with respect its existing contracts. To mention only a few of the measures taken in this sense, he noted:

- the significant reduction made over the years in the number of Boards of Directors in subsidiary companies (more than 200 units) and the subsequent fact that the role of director in subsidiary companies has been covered solely by Hera S.p.A. directors, reminding attendees that the latter provided such services free of charge;
- the reduction in compensation, as of 2011, for the Holding directors and the Vice Chairman;
- the reduction, confirmed for 2015, of the variable component of the executive administrators' compensation, from 40% to 30% of the total gross fixed remuneration foreseen with 100% of the objectives reached.

The cost of Hera S.p.A.'s Board of Directors for the year 2015 amounted to approximately Euro 707,000 net of the compensation totalling approximately Euro 737,000 collected by Hera for the participation of directors/managers in the corporate bodies of subsidiary companies, as compared to costs in 2014 that amounted to approximately Euro 780,000 net

of the compensation totalling approximately Euro 845,000 collected by Hera.

At any rate, considering the delicate nature of the issue, especially during the current historical moment, the Chairman sought to reassure the shareholders that attention would remain high, in an effort to unite the objective of sobriety with the need to ensure the Company's effective operation.

In relation to the numerical data, he invited the attendees to refer to the second section of the Report, which details the compensation received by the Board of Directors, top managers and Chief Operating Officers.

As noted above, he emphasized that, in compliance with the Issuers' Regulation, the resolution to be reached in the current Shareholders' Meeting regarding the first Section of the Report was not binding.

Submission of requests for the floor and opening of the 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 found 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 said list in the event of additional requests submitted during the statements.

Following the order in which the requests to take the floor were submitted, he invited the first person who had made such a request come to the podium, reminding those concerned to keep their statements to 10 minutes.

Shareholder Enrico Nannetti once again took the floor, providing the reasons for his negative vote in the previous resolution and expressing his wish that, given that no specific regulations currently exist as to the allocation of profits earned by companies controlled by public bodies, half of the profits earned be in any case destined to reducing debt.

He requested an explanation of the breakdown of the directors' remuneration, in particular the Euro 40,000 set as a fixed component and the 20,000 set as a bonus.

He also hoped that specific non-competition clauses be inserted within the directors' contracts, preventing them, in case of severance, from taking the company's essential know-how with them.

As regards the remuneration of the Chairman and the CEO, he hoped that they put forward a spontaneous gesture in reducing their own compensation.

He hoped, lastly, that in the public squares of the geographical areas served, small water fountains would return, since they are much appreciated by the citizenship.

The Chairman responded, underlining that the Remuneration

Report is clear as to the fact that each Director receives an annual remuneration of Euro 40,000 euro, to which a further Euro 20,000 is added for appointments in committees or subsidiaries, and emphasising that this compensation is in line with sector averages.

As regards the remuneration of executive administrators, he specified that they are below average.

Concerning the pact of non-competition for resigning administrators, he specified that the Company's policy is oriented instead towards providing strong incentives for them to remain, and that, for this reason, it is preferable to invest in such policies rather than negotiate a non-competition clause, that in any case would have a cost.

As to spontaneous gestures, he reminded those present that everyone is free to act according to their own conscience and best judgement.

Given that there were no further statements, he declared the discussion closed.

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 relating to the second item on the agenda for the Ordinary Part:

"The Ordinary Shareholders' Meeting of HERA S.p.A., in keeping with the requirements of Article 123-ter of the TUF, and furthermore in implementation of the provisions of Art. 84-quater of the Consob Issuers' Regulation:

- recognizing the policies adopted by the Group concerning remuneration;
- acknowledging the first section of the Remuneration Report;

**resolves**

to approve the first section of the Hera Group's "Remuneration Report"."

Vote on the proposed resolution

The Chairman asked the attendees not to leave the room throughout the duration of the voting operations.

He then declared the voting procedure open on the proposed resolution concerning the second item on the agenda for the Ordinary Part.

Holders of proxies, intending to cast differing votes on the proposal, were asked to go to the "assisted voting" station.

The other Shareholders were asked to remain seated and cast their votes using the "radiovoters", according to the instructions given in the document included in the folder provided at reception.

The Chairman then asked voters to:

- press the button corresponding to the vote they wished to cast ("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" button;
- 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 any reports from Shareholders intending to correct the vote cast using the "radiovoters".

He then declared the voting on the proposal indicated in the second item of the agenda for the Ordinary Part closed and asked a staff member to provide the results of the vote.

He then announced the outcome of the vote, the results of which are reproduced, in accordance with the above-mentioned Appendix 3E to Regulation 11,971 of 14 May 1999, in the document attached hereto as **Appendix E**):

having obtained the approval of shareholders representing an absolute majority of the share capital represented at the Meeting, as shown in the breakdown in the hereto attached document, and with

- 946,470,677 votes in favour, equal to 82.776047% of the ordinary shares represented;
- 192,800,579 votes against, equal to 16.861875% of the ordinary shares represented;
- 4,140,044 abstentions, equal to 0.362078% of the ordinary shares represented;
- 0 non-voters,

**the proposal was declared approved.**

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

**3. Renewal of authorisation to purchase treasury shares and procedures for arrangement of the same: related and consequent resolutions.**

The Chairman, with the consent of the attendees, refrained from reading the Explanatory Report prepared by the Board of Directors on this agenda item in its entirety, the text of which was contained in the folder provided at reception.

He reminded those present that since 2006 the Shareholders had authorized the purchase and/or use/sales of Hera S.p.A shares, most recently in 2015 when the maximum turnover threshold was set at 60,000,000 shares.

In relation to this, he clarified that the company's capital to date amounted to Euro 1,489,538,745 and that the company held 17,081,955 (seventeen million eighty-one thousand nine hundred fifty-five) treasury shares and that its subsidiaries did not hold any Hera S.p.A shares.

He therefore proposed that, in order to increase the creation of value for shareholders, without excluding the possibility of using the treasury shares purchased as part of corporate operations that could generate investment opportunities, the Company's General Meeting, within the limits of and pursuant to Article 2357 of the Italian Civil Code, subject to the

nullification of the previous authorization resolved by the Shareholders' Meeting attendees on 28 April 2015 for the non-completed part, renew its authorization to purchase ordinary Hera shares with a par value of Euro 1 up to a maximum turnover threshold of 60,000,000 (sixty million), representing approximately 4.0281% (four point zero two eight one percent) of HERA S.p.A.'s share capital, acknowledging that the above-named number of shares was in compliance with Art. 2357 of the Italian Civil Code.

He therefore asked that the present Meeting authorize the purchase of treasury shares to be carried out within 18 (eighteen) months from the date of the Meeting, in one or more operations for an overall total not exceeding Euro 180,000,000 (one hundred eighty million) and for a minimum price per unit not inferior to their nominal value and a maximum price per unit not superior to 10% (ten percent) of the effective sale price listed on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A. ("M.T.A.") in the trading session preceding each individual purchase.

Moreover, regarding the modality in which the purchased shares were to be used, he requested that, in compliance with Art. 2357 of the Italian Civil Code, the following be authorized:

- (a) the use of treasury shares purchased as part of operations allowing for investment opportunities through exchange, share swap, conferment, divestiture or other operations involving treasury shares for the purchase of shareholdings or blocks of shares or other operations involving the allotment or distribution of treasury shares;
- (b) the sale, to be carried out through one or more operations, at a price that does not involve adverse economic effects for the company and is at any rate in compliance with the legislative and regulatory provisions and limitations established by the Supervisory Authorities and Borsa Italiana S.p.A..

Submission of requests for the floor and opening of the  
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 found 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 order in which the requests to take the floor were submitted, he invited the first person who had made such a request come to the podium, reminding those concerned to keep their statements to 10 minutes.

Given that no requests were made, he declared the discussion closed.

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 relating to the third item on the agenda for the Ordinary Part:

"The Ordinary Shareholders' Meeting of HERA S.p.A.:

- having heard the Chairman's report;
- having examined the explanatory report of the Board of Directors and the proposals made therein

**resolves**

1. to approve the purchase, to be enacted within 18 months of the date of this meeting's resolution, in full or multiple payment, up to a maximum turnover threshold equalling nr. 60,000,000 HERA ordinary shares, each having a nominal value of one Euro; this shall always take place as per the thresholds under art. 2357 of the Italian Civil Code, after the previous authorisation resolution passed in the 28 April 2015 meeting has been repealed for the non-enacted part. The treasury share purchase price shall be no lower than their nominal value, not exceeding a 10% threshold with respect to the reference price recorded on the Stock Exchange day prior to every single purchase; it is understood that purchases cannot exceed a maximum amount equalling € 180,000,000. Moreover, purchases shall preferably take place on the M.T.A. and shall abide by all of the law provisions, regulations and prescriptions set out by the Supervising Authorities and/or by Borsa Italiana S.p.A.;

2) to authorize, pursuant to Art. 2357-ter of the Italian Civil Code:

(a) the use of treasury shares acquired within transactions allowing for investment opportunities including such means as exchange, share swap, trading-in, allocation, handover or any other treasury share assignment act aimed at acquiring shareholding or blocks of shares or any other transactions entailing treasury share allotment or disposal;

(b) the sale may take place through multiple payment, at a price that does not entail any negative financial outcome for the company, and shall always abide by all legislation and regulations and by the Supervising Bodies' and Borsa Italiana S.p.A.'s guidelines;

3) to authorise, under art. 2357-ter of the Italian Civil Code, that treasury shares be recorded in the balance as a reduction of equity, through the creation of a specific entry with a minus sign;

4) to confer a mandate upon the Board of Directors and on their behalf to the Chairman and the CEO, in a separate manner, so that they carry out the purchase and/or the utilisation/sales of HERA shares under all relevant

legislation, under this authorisation as well as under the above-listed conditions, within the most appropriate time frame.".

#### Vote on the proposed resolution

The Chairman asked the attendees not to leave the room throughout the duration of the voting operations.

He then declared the voting procedure open on the proposed resolution concerning the third item on the agenda for the Ordinary Part.

Holders of proxies, intending to cast differing votes on the proposal, were asked to go to the "assisted voting" station.

The other Shareholders were asked to remain seated and cast their votes using the "radiovoters", according to the instructions given in the document included in the folder provided at reception.

The Chairman then asked voters to:

- press the button corresponding to the vote they wished to cast ("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" button;
- 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 any reports from Shareholders intending to correct the vote cast using the "radiovoters".

He then declared the voting on the proposal indicated in the third item of the agenda for the Ordinary Part closed and asked a staff member to provide the results of the vote.

He then announced the outcome of the vote, the results of which are reproduced, in accordance with the above-mentioned Appendix 3E to Regulation 11,971 of 14 May 1999, in the document attached hereto as **Appendix F**):

having obtained the approval of shareholders representing an absolute majority of the share capital represented at the Meeting, as shown in the breakdown in the hereto attached document, and with

- 965,387,467 votes in favour, equal to 86.500421% of the ordinary shares represented;
- 5,589,662 votes against, equal to 0.500844% of the ordinary shares represented;
- 145,072,310 abstentions, equal to 12.998735% of the ordinary shares represented, given that Silvia Giannini, representing the shareholder Municipality of Bologna, had notified the Chairman's office that her abstention from voting on the present resolution was due to the circumstance that her own authorising resolution, even though it had been adopted by the Municipality, had not as of the present date come into effect, and that the resolution in question - for the present item on the agenda - was not required by law, by

adopted discretionally, pursuant to article 2357 of the Italian Civil Code, by the Company;

- 0 non-voters,

**the proposal was declared approved.**

The Chairman noted that the discussion of the third item on the agenda for the Ordinary Part was closed, and moved on to discuss the first item on the agenda for the Extraordinary Part.

**1. Amendment of article 4 of the Articles of Association: related and consequent resolutions.**

The Chairman, with the consent of the attendees, refrained from reading the Explanatory Report prepared by the Board of Directors on this agenda item in its entirety, the text of which was contained in the folder provided at reception.

The Chairman explained that the resolution put to the approval of the Shareholders consists in an amendment of article 4 of the Articles of Association, and pointed out as a preliminary observation that the amendment consists in making explicit, as part of Hera S.p.A.'s company purpose, its possibility of engaging in activities involving management and/or supply of integrated energy services, in order to obtain certification pursuant to the UNI CEI 11352 regulations.

He specified that the aforementioned activities are currently practiced by Hera, but that legislative decree 102/14, an implementation of EU directive 2012/27/ on energy efficiency, requires companies, as of the month of July 2016, to obtain said certification, in order to be qualified to carry out a number of activities in the field of energy efficiency promotion, such as energy diagnosis, and be able to present projects allowing them to obtain white certificates.

Therefore, he specified that Hera S.p.A., in order to obtain the certification pursuant to the UNI CEI 11352 regulations, as a preliminary step will have to introduce a specification in its Articles of Association, expressly indicating the specific activity of providing integrated energy services, consisting for example in energy services, heating services and providing energy services through remote heating networks.

Submission of requests for the floor and opening of the 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 found 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 order in which the requests to take the floor

were submitted, he invited the first person who had made such a request come to the podium, reminding those concerned to keep their statements to 10 minutes. Given that no requests were made, he declared the discussion closed.

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 relating to the first item on the agenda for the Extraordinary Part:

- "The Ordinary Shareholders' Meeting of HERA S.p.A.:
- having heard the Chairman's report;
  - having examined the explanatory report of the Board of Directors and the proposals made therein;

**resolves**

(i) to modify article 4 of the Articles of Association as shown in the text reproduced below, with a comparative description of the proposed amendments

<i>CURRENT TEXT</i>	<i>PROPOSED AMENDMENTS</i>
<b>ART. 4 PURPOSE OF THE COMPANY</b>	<b>ART. 4 PURPOSE OF THE COMPANY</b>
<p>4.1 The purpose of the company is to carry out, in Italy or overseas, directly or indirectly, through participations in any kind of company, public body, consortium or enterprise, public services and public utility services in general and in particular:</p> <p>(a) integrated management of water resources and therefore (i) abstraction of fresh water, transport, treatment, distribution and sale of water for whatever use and in whatever form, (ii) waste water collection, treatment and recovery (iii) construction and management of sewage waste treatment plants (iv) design, construction and management of artificial storage and dams;</p> <p>(b) integrated management of energy resources and therefore (i) production, transport, transformation, distribution, purchase and sale of electricity, (ii) production, transport, manipulation, distribution, purchase and sale, exploitation and storage of</p>	<p>4.1 The purpose of the company is to carry out, in Italy or overseas, directly or indirectly, through participations in any kind of company, public body, consortium or enterprise, public services and public utility services in general and in particular:</p> <p>(a) integrated management of water resources and therefore (i) abstraction of fresh water, transport, treatment, distribution and sale of water for whatever use and in whatever form, (ii) waste water collection, treatment and recovery (iii) construction and management of sewage waste treatment plants (iv) design, construction and management of artificial storage and dams;</p> <p>(b) integrated management of energy resources and therefore (i) production, transport, transformation, distribution, purchase and sale of electricity, (ii) production, transport, manipulation, distribution, purchase and sale, exploitation and storage of</p>

<b>CURRENT TEXT</b>	<b>PROPOSED AMENDMENTS</b>
<p>gas, (iii) production, transport and sale of heat for industrial and domestic use and (iv) installation and running of thermal plants in buildings and possible supply of heat and/or fuel, (v) control on thermal plants in compliance with Presidential Decree 412/93, (vi) realisation and management of cogeneration energy/heat, (vii) realisation and management of thermal stations and conditioning plants;</p> <p>(c) management of environmental services and therefore, for example, (i) collection, transport, intermediation and commercialisation of urban waste, and special dangerous and non-dangerous waste, including differentiated waste, as well as the cleaning of public areas and (ii) construction and management, including on behalf of others, of plants for the collection, recycling, treatment and recovery of waste and (iii) reclamation of contaminated areas.</p>	<p>gas, (iii) production, transport and sale of heat for industrial and domestic use and (iv) installation and running of thermal plants in buildings and possible supply of heat and/or fuel, (v) control on thermal plants in compliance with Presidential Decree 412/93, (vi) realisation and management of cogeneration energy/heat, (vii) realisation and management of thermal stations and conditioning plants, <b>(viii) management and/or supply of integrated energy services;</b></p> <p>(c) management of environmental services and therefore, for example, (i) collection, transport, intermediation and commercialisation of urban waste, and special dangerous and non-dangerous waste, including differentiated waste, as well as the cleaning of public areas and (ii) construction and management, including on behalf of others, of plants for the collection, recycling, treatment and recovery of waste and (iii) reclamation of contaminated areas.</p>
<p>4.2 The company's purpose is, in compliance with the principles of economy and profitability, as well as confidentiality of corporate data, to promote competition, efficiency and suitable levels of quality in the provision of its services:</p> <p>a) ensuring neutrality in managing the infrastructure needed to develop a free energy market;</p> <p>b) preventing discrimination when accessing commercially sensitive information;</p> <p>c) preventing the transfer of resources between different segments.</p>	<p>4.2 The company's purpose is, in compliance with the principles of economy and profitability, as well as confidentiality of corporate data, to promote competition, efficiency and suitable levels of quality in the provision of its services:</p> <p>a) ensuring neutrality in managing the infrastructure needed to develop a free energy market;</p> <p>b) preventing discrimination when accessing commercially sensitive information;</p> <p>c) preventing the transfer of resources between different segments.</p>
<p>4.3 The company operates in integrated or in any case</p>	<p>4.3 The company operates in integrated or in any case</p>

<b>CURRENT TEXT</b>	<b>PROPOSED AMENDMENTS</b>
<p>connected sectors, with the objective of producing goods and activities with the aim of satisfying collective needs and requirements, co-operating to promote the economic and civil development of the people, their organisations and the local communities to which they belong.</p> <p>For this purpose, for example purposes only, the company can operate, including through planning and construction, in the services destined to increase the quantity and quality of the infrastructures servicing the multitude of expressions of economic, social and private life of the citizens and in particular in the following sectors:</p> <p>(i) remote networks, information networks and telecommunication services;</p> <p>(ii) installation and provision of telecommunication networks on our own behalf and on behalf of third parties relating to those services;</p> <p>(iii) public lighting installations;</p> <p>(iv) traffic lights and other lighting signals;</p> <p>(v) management on our own behalf or on behalf of third parties of funeral and cemetery activity and related activity (transport, service, removal, cremations, maintenance and construction of cemetery sites, necropsy services);</p> <p>(vi) consulting, assistance, planning, realisation and services in the energy, water and environment fields;</p> <p>(vii) consulting, assistance and services in the laboratory analysis field;</p> <p>(viii) services for the protection of land and water, including through</p>	<p>connected sectors, with the objective of producing goods and activities with the aim of satisfying collective needs and requirements, co-operating to promote the economic and civil development of the people, their organisations and the local communities to which they belong.</p> <p>For this purpose, for example purposes only, the company can operate, including through planning and construction, in the services destined to increase the quantity and quality of the infrastructures servicing the multitude of expressions of economic, social and private life of the citizens and in particular in the following sectors:</p> <p>(i) remote networks, information networks and telecommunication services;</p> <p>(ii) installation and provision of telecommunication networks on our own behalf and on behalf of third parties relating to those services;</p> <p>(iii) public lighting installations;</p> <p>(iv) traffic lights and other lighting signals;</p> <p>(v) management on our own behalf or on behalf of third parties of funeral and cemetery activity and related activity (transport, service, removal, cremations, maintenance and construction of cemetery sites, necropsy services);</p> <p>(vi) consulting, assistance, planning, realisation and <b>management of</b> services in the energy, water, <b>and</b> environmental <b>and energy efficiency</b> fields;</p> <p>(vii) consulting, assistance and services in the laboratory analysis field;</p> <p>(viii) services for the</p>



<b>CURRENT TEXT</b>	<b>PROPOSED AMENDMENTS</b>
<p>the elaboration, realisation and management of projects organised for this purpose;</p> <p>(ix) organisation of courses for the provision and application of scientific, technological, management and organisational resources in the fields of interest;</p> <p>(x) obtaining of construction licenses and the carrying out of public works;</p> <p>(xi) transportation of materials on behalf of third parties, related to the activities of sewage and purification as well as goods and materials from production processes and/or industrial, commercial, craft and domestic activities;</p> <p>(xii) plan, realise, and manage gardens, parks, fountains, recreational areas, roads, street furniture and road lighting and realisation of the ecological inspectorate in the territory;</p> <p>(xiii) hygiene in the environment through anti-parasite, sanitary and hygiene activities in related matters and in food;</p> <p>(xiv) bottling and retail or wholesale selling of drinking water, either directly or indirectly.</p>	<p>protection of land and water, including through the elaboration, realisation and management of projects organised for this purpose;</p> <p>(ix) organisation of courses for the provision and application of scientific, technological, management and organisational resources in the fields of interest;</p> <p>(x) obtaining of construction licenses and the carrying out of public works;</p> <p>(xi) transportation of materials on behalf of third parties, related to the activities of sewage and purification as well as goods and materials from production processes and/or industrial, commercial, craft and domestic activities;</p> <p>(xii) plan, realise, and manage gardens, parks, fountains, recreational areas, roads, street furniture and road lighting and realisation of the ecological inspectorate in the territory;</p> <p>(xiii) hygiene in the environment through anti-parasite, sanitary and hygiene activities in related matters and in food;</p> <p>(xiv) bottling and retail or wholesale selling of drinking water, either directly or indirectly.</p>
<p>4.4 The company also has the purpose to exercise, directly and/or indirectly, through participations in companies of whatever kind, public body, consortium or enterprise, of any other economic activity connected by an instrumental link, as accessory or complementary to the previous activities indicated.</p>	<p>4.4 The company also has the purpose to exercise, directly and/or indirectly, through participations in companies of whatever kind, public body, consortium or enterprise, of any other economic activity connected by an instrumental link, as accessory or complementary to the previous activities indicated.</p>
<p>4.5 The company also has the objective of technical, operational and financial co-ordination of the</p>	<p>4.5 The company also has the objective of technical, operational and financial co-ordination of the</p>

<b>CURRENT TEXT</b>	<b>PROPOSED AMENDMENTS</b>
participations held and the provision of services for them.	participations held and the provision of services for them.
4.6 The company can perform all of the operations necessary or useful for the attainment of the corporate purpose; on an example basis this may be operations related to fixed and non-fixed assets, commercial, industrial or financial operations, or participating in public tenders for the management of local public services or other useful services for the achievement of the objectives, as well as any activity connected to the corporate purpose, with the exception of the collection of savings from the public and the provision of credit in compliance with Legislative Decree 385/1993 or subsequent integrations or modifications.	4.6 The company can perform all of the operations necessary or useful for the attainment of the corporate purpose; on an example basis this may be operations related to fixed and non-fixed assets, commercial, industrial or financial operations, or participating in public tenders for the management of local public services or other useful services for the achievement of the objectives, as well as any activity connected to the corporate purpose, with the exception of the collection of savings from the public and the provision of credit in compliance with Legislative Decree 385/1993 or subsequent integrations or modifications.
4.7 In any case, the company is expressly prohibited from the professional exercise of investment services to the public in compliance with Legislative Decree 58/1998 and subsequent integrations and modifications and any other activity reserved by the legislation in force to those registered with professional bodies or subject to specific legislation or qualifications by law.	4.7 In any case, the company is expressly prohibited from the professional exercise of investment services to the public in compliance with Legislative Decree 58/1998 and subsequent integrations and modifications and any other activity reserved by the legislation in force to those registered with professional bodies or subject to specific legislation or qualifications by law.
4.8 The company can, finally, take participations and interests in other companies, consortia and enterprises, either Italian or foreign, having a purpose similar, related or complementary to our own or even having a different purpose as long as the participations or interests do not substantially modify the corporate purpose, and can provide guarantees and/or liens for obligations, including	4.8 The company can, finally, take participations and interests in other companies, consortia and enterprises, either Italian or foreign, having a purpose similar, related or complementary to our own or even having a different purpose as long as the participations or interests do not substantially modify the corporate purpose, and can provide guarantees and/or liens for obligations, including

<i>CURRENT TEXT</i>	<i>PROPOSED AMENDMENTS</i>
<i>those related to third parties.</i>	<i>those related to third parties.</i>

(ii) to grant the broadest possible mandate to the Chairman to carry out all that is required, necessary or appropriate in giving effect the resolution, by means of proxy if suitable, including the power to:

- sign and publish any document, deed and/or declaration useful or appropriate for such purpose, in addition to any communication envisaged by the laws, including any applicable regulations;
- to act wherever required, necessary or appropriate to implement the aforementioned resolution in full, making any non-substantial changes that should be required by the competent authorities, including registration with the Companies Register".

Vote on the proposed resolution

The Chairman asked the attendees not to leave the room throughout the entire duration of the voting operations.

He then declared the voting procedure open on the proposed resolution concerning the first item on the agenda for the Extraordinary Part.

Holders of proxies, intending to cast differing votes on the proposal, were asked to go to the "assisted voting" station.

The other Shareholders were asked to remain seated and cast their votes using the "radiovoters", according to the instructions given in the document included in the folder provided at reception.

The Chairman then asked voters to:

- press the button corresponding to the vote they wished to cast ("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" button;
- 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 any reports from Shareholders intending to correct the vote cast using the "radiovoters".

He then declared the voting on the proposal indicated in the first item of the agenda for the Extraordinary Part closed and asked a staff member to provide the results of the vote.

He then announced the outcome of the vote, the results of which are reproduced, in accordance with the above-mentioned Appendix 3E to Regulation 11,971 of 14 May 1999, in the document attached hereto as **Appendix G**):

having obtained the approval of shareholders representing two thirds of the share capital represented at the Meeting, as shown in the breakdown in the hereto attached document, and

with

- 1,082,939,026 votes in favour, equal to 97.632690% of the ordinary shares represented;
- 0 votes against;
- 26,258,132 abstentions, equal to 2.367310% of the ordinary shares represented;
- 0 non-voters,

**the proposal was declared approved.**

The Articles of Association, updated with the amendments concerning Article 4, will take effect on the date that the present resolution is registered with the appropriate Companies Register in compliance with Art. 2436 of the Italian Civil Code, and is deposited at the Companies Register by the Administrative Body, represented by the Chairman, with the right to sub-delegate.

The Chairman then delivered the Articles of Association to me as updated, bearing the amendments to article 4, priorly approved, which will take effect on the date on which the resolution is registered at the competent Companies Register pursuant to article 2436 of the Italian Civil Code; said Articles are attached hereto as **Appendix H**).

Lastly, the Chairman reported that the Company had received, from Shareholder Marco Bava, a holder of 5 (five) ordinary shares, questions pursuant to article 127-ter of the TUF, to which the Company provided a response before the beginning of the present session and furthermore specified that the responses to questions nr. 40, 42 and 60 letter e) are contained in the document attached hereto as **Appendix I**).

Since there were no interested parties, and none of the individuals so entitled objected, he declared the discussion of the items on the agenda closed.

Before concluding, he warmly thanked the notary, the staff of the "SPEAKERS" and "ASSISTED VOTING" stations and all those who had taken part in organizing and carrying out this Meeting.

The proceedings of the Shareholders' Meeting were then closed at 12:25 p.m.

The appearing party, under his own responsibility, aware of the significance of his actions under criminal law pursuant to Article 55 of Legislative Decree 231/2007, declared:

- that he was aware that the information and other data supplied during the preliminary investigation and execution of this deed would be used by the executing notary for the purposes of meeting the requirements laid down by the aforementioned Legislative Decree;
- that the information and data were up to date.

The costs of this deed and those related and consequent hereto were defrayed by the Company.

The appearing party exempted me from the obligation to read the attached documentation.

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

Written by a person trusted by myself and completed by  
myself, the notary, on twenty sheets over fifty-four pages.

Signed at 12:25 p.m.

Signed by Tomaso TOMMASI DI VIGNANO - FEDERICO TASSINARI