

3. Approval of the merger by incorporation of Amga - Azienda Multiservizi S.p.A. into Hera S.p.A., pursuant to Article 2501 and following of the Italian Civil Code, and consequent amendment of paragraph 5.1 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 recalled that the operation submitted for approval by today's Meeting provided for the merger into Hera S.p.A. ("**Merger**") of AMGA - Azienda Multiservizi S.p.A. ("**AMGA**"), the parent company of the AMGA Udine Group, partially held by the Municipality of Udine at 58.69%, that carries out direct and indirect management and development of public utility services in the areas covered by the Municipality of Udine and the Province of Udine.

Between September 2013 and January 2014 Hera and AMGA initiated a process aimed at defining an industrial integration, that was formalised on 23 January 2014 when AMGA and Hera underwrote a framework agreement (the "**Framework Agreement**") that outlines the main conditions of the aggregation and regulates the various requirements and the conditions necessary to achieve business integration between the groups that refer to the two companies. The Municipality of Udine has also participated in this process, acting as the reference shareholder of AMGA.

Therefore, coming to the reasons for the aggregation between the two groups, he underlined that this operation responds to a business rationale whose most relevant features are the following: (1) pursuing growth coherent with the trajectory followed thus far, enhancing the presence established in the Friuli Venezia Giulia region, with the possibility of rapid industrial integration thanks to the numerous organisational and operational similarities between many aspects of the area covered by Acegas-APS S.p.A. (hereinafter "**AcegasAPS**") and the commercial dimensions of HERA Comm; (2) integrating the industrial skills and and management developed by AMGA in gas distribution with the HERA Group's activities in the Veneto and Friuli Venezia Giulia regions; (3) achieving a strong scale and industrial complementarity in the energy sector, reinforcing the Hera Group's competitive position above all in the gas sector and enhancing AMGA's customer base through the implementation of dual-fuel and cross-selling strategies, and sharing HERA's know-how and up-stream strategy.

The strategic value of these aspects of the operation is matched by a series of elements that are highly interesting for Hera's shareholders as well, who will benefit from: (i) a higher level of liquid assets expected for Hera's stocks, resulting from the entry of significant third party shareholders into the pool of shareholders, (ii) a higher level of revenue generation, in terms of earnings per share, calculated on the basis of the most recent annual balances, (iii) maintaining the majority of Hera's share capital in the hands of public shareholders, given that AMGA's shareholder pool is prevalently composed of public capital, and (iv) reinforcing governance and enhancing the equity investment that HERA already holds in AMGA. Following the recent acquisition of Est Reti Elettriche, the HERA Group in fact detains a share capital in AMGA equal to approximately 6.68%, making it the third largest shareholder.

The new entity that will emerge from the aggregation operation will therefore have, taking 2013 data as a reference point, the following main operational

data:

- approximately 1.65 million end-user delivery points (PDR) for gas distribution in Italy;
- approximately 9 thousand end-user delivery points (PDR) for gas distribution in Bulgaria;
- over 1.3 million clients in gas sales;
- over 0.7 million clients in electricity sales;
- over 470 thousand lighting points in public illumination.

Development strategies, in common with AMGA's management and in line with the HERA Group's strategic guidelines, will be oriented towards:

- geographically consolidating the regulated gas distribution business, both in terms of costs and operational models, in order to create the conditions for success during the phase of the shortly upcoming tenders for the renewal of contracts in the most relevant areas currently covered;
- continuing to pursue development in the commercial energy sector, enhancing the customer base and opportunities in the currently covered and nearby areas, in a rationale of both cross selling and a new penetration of the dual-fuel offer, reinforcing upstream integration as well, within a context in which the scale of "minimum efficiency" is constantly rising and both commercial prospects and upstream are experimenting with new business models related to the centrality of the client, partnership networks and advanced management of commodities positions and risks;
- appealing to innovation and efficiency in the evolution of operational assets and perceived quality, making the most of the company's best practices regarding both the asset base managed and customers. In this outlook, the most important approaches and models will be those that allow for (i) integrated resource management, (ii) standard operating procedures for plant construction, (iii) the most advanced technological solutions;
- reinforcing the orientation towards sustainability, with initiatives intended to reduce the impact on the environment, allow stakeholder relations to evolve, and encourage a balanced use of the area's resources;
- consolidating asset and financial balance, thus creating an effective platform for development.

Within the scope of the integration plan, following the Merger Hera is expected to begin: (i) transferring to Hera Comm S.r.l. ("**Hera Comm**") its equity investment held in AMGA Calore & Impianti S.r.l. ("**AMGA Calore**") and its equity investment held in AMGA Energia & Servizi S.r.l. ("**AMGA Energia**"); (ii) transferring to Acegas-Aps S.p.A. ("**AcegasAPS**") the sum of the assets held by AMGA for the purposes of its own business activities and the equity investments held respectively in Black Sea Technology Company Group, Black Sea Company for Gas Compressed Ltd, Energo d.o.o. and Carniacque S.p.A. ("**Transferrals to AcegasAPS**").

He furthermore specified that, following Transferrals to AcegasAPS, a "Gas Distribution" department will be established, located in Udine, that will serve to coordinate and oversee all of the Hera Group's activities in the "Gas Distribution" sector in the Friuli Venezia Giulia and Veneto regions. Furthermore, AMGA Calore will maintain its legal autonomy, its corporate name and registered offices in Udine, and will become the corporate vehicle through which the Hera Group develops its activities in domestic and industrial co-

generation, district heating, energy efficiency and renewable thermal and electrical energies in the Friuli Venezia Giulia region. AMGA Energia will maintain its legal autonomy, its corporate name and its registered offices in Udine until 31 December 2016.

He specified that the Merger operation is subject to the following agreements, that must be underwritten by Hera and the Municipality of Udine by and no later than the deadline of 24 (twenty-fourth) June 2014 (two thousand and fourteen):

a) an agreement intended to regulate, inter alia, the prospects of industrially developing the operations of AMGA as well as those of the companies comprising the AMGA Group;

b) an agreement concerning (i) the governance of AcegasAPS, i.e. the right of the Municipality of Udine to be represented in AcegasAPS's Board of Directors, via the designation of one director and a modification of AcegasAPS's corporate name, which will become "ACEGAS-APS-AMGA S.p.A." and/or its acronym; (ii) the Municipality of Udine's subscription, on the occasion of the renewal foreseen with an effective date beginning from 1 January 2015, to the shareholders' pact stipulated on 21 December 2011 between 98 of Hera's public shareholders ("**Hera Pact**") regarding the modalities of exercising voting rights and the transfer of shares held in Hera by the adhering parties, to which additional shareholders of the Company have adhered over time, effective as of the date of the present Report between 124 public shareholders of Hera; and (iii) a lock-up commitment concerning 37,343,661 newly issued Hera ordinary shares that will be held by the Municipality of Udine as a result of the Merger; this commitment will be made by the Municipality of Udine as of the date in which the Hera shares are transferred to said Municipality according to the exchange concerning the Merger and until the Municipality itself adheres to the shareholders' agreement described in the preceding point ii) at the date of its renewal. In the eventuality that the Municipality of Udine fails to adhere to the Hera Pact, the lock-up commitments will be taken on by the Municipality of Udine for a period of 3 years with effect from the date in which the Hera shares are allotted.

He also informed those present that a further condition precedent to the implementation of the Merger had been met, with the attainment, respectively on the 12 and 17 March 2014, of the authorisation to proceed with the operation granted by the Guarantor for Market Competition for Italy and Bulgaria.

He also noted that the amendment of Articles 16.1 and 17.2 of the Articles of Association, approved earlier during the present Meeting, constitute an intervention that modifies, pursuant to the second paragraph of Article 2502 of the Italian Civil Code, of the Articles attached to the Merger Plan.

As regards the exchange ratio, he added that the Board of Directors had chosen homogeneous evaluation criteria that were held to be coherent with the aims of the analysis, in order to express comparable values.

At the outcome of this evaluation, the exchange ratio was set at 572 (five hundred seventy-two) HERA ordinary shares with a nominal value of Euro 1.00 (one point zero zero) for every AMGA share with a nominal value of Euro 500.00 (five hundred point zero zero), with no balance payments foreseen.

In view of the implementation of the Merger, the Shareholders' Meeting is therefore asked to resolve upon an increase in the share capital divided in tranches with exclusion of purchasing option, to a maximum amount of Euro 68,196,128.00 (sixty-eight million one hundred ninety-six thousand one hundred

twenty-eight point zero zero), upon the annulment of the 8,788 (eight thousand seven hundred eighty-eight) AMGA shares held by HERA and of the 3,462 (three thousand four hundred sixty-two) treasury shares held by AMGA. Thereafter, Hera will issue shares up to a maximum of 68,196,128 (sixty-eight million, one hundred ninety six thousand one hundred twenty-eight) new ordinary shares with a nominal value of Euro 1.00 (one point zero zero) each, traded on the Milan Stock Exchange organised and managed by Borsa Italiana S.p.A., which will be allocated to AMGA shareholders in proportion to the current investment held by each of them in the share capital of this company. At the conclusion of the Merger, HERA's new share capital will therefore be represented by a maximum of 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 Euro 1 (one) each. The dimensions of the above-mentioned HERA share capital increase for the interests of the share swap will only be fully defined at the conclusion of the procedure for exerting the right of withdrawal that is entitled to AMGA Shareholders that do not participate in undertaking the resolution for approval of the Merger.

He also noted that on 19 March 2014 the auditing company Axis S.r.l., entrusted by the Court of Bologna upon joint request by HERA and AMGA, issued a report concerning the adequacy of the exchange ratio pursuant to Article 2501-sexies of the Italian Civil Code.

He clarified, lastly, that for statutory purposes the aforementioned Merger will be effective as of 1 (first) July 2014 (two thousand fourteen), while the for accounting and tax purposes its effects will be backdated to 1 (first) January 2014 (two thousand fourteen).

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.

Shareholder Ballestrazzi Vittorio took the floor, and pointed out that HERA has become a private Company, losing its status as a publicly held Company, and is now concentrated on the pursuit of profit. He also reminded those present that the Company manages public goods, and stated that outside of the conference hall there was a group of demonstrators that had delivered a letter to be read during the Meeting concerning the plan to build a power station in Saline Ioniche.

The Chairman took the floor, stating that the letter was not pertinent to the agenda and asking shareholder Ballestrazzi to briefly summarise it.

Shareholder Ballestrazzi asked the shareholders to evaluate whether or not HERA's intervention in the coal-burning power plant in Saline Ioniche is compatible with the the energy policies pursued by the Group; due to the pollution produced by this plant, none of the Municipalities in the area want it within their own boundaries. The investment is moreover at a loss. Repower, the largest shareholder, will soon leave the group of shareholders as called for by

a recent Swiss referendum.

The Chairman took the floor, insisting that the information provided by shareholder Ballestrazzi was not correct: the project is part of a strategy of mixed energy sources; given that it is still a project, it cannot have brought about any loss in the balance sheets. The authorisation process for the project reached a positive conclusion roughly one year ago when a Decree was signed by the Monti government. In any case, if new elements appear, they will be communicated to shareholders as part of the updating of the annual Business Plan.

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 third item on the agenda for the Extraordinary Part:

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

- having examined and approved the Board of Director's Explanatory Report drafted pursuant to Article 2501-quinquies of the Italian Civil Code and Article 125-ter of Legislative Decree 58/1998 and Article 70 of Consob Regulation no. 11971/1999 and subsequent modifications and relevant attachments;
- having examined and discussed the Merger Plan;
- having taken note that the Merger Plan was approved by the Hera S.p.A. and AMGA - Azienda Multiservizi S.p.A. Boards of Directors in their meeting on 23 January 2014;
- having taken note of the execution, on 24 January 2014, of the formal procedures for depositing the Merger Plan with the Bologna Register of Companies and thereby the registration of it on 27 January and, of the corresponding registration that took place at the relevant Register of Companies on the same date for AMGA - Azienda Multiservizi S.p.A.;
- having examined the financial situation and economic data of the Merging Company Hera S.p.A. and the Merged Company AMGA - AZIENDA MULTISERVIZI S.p.A., all as of 30 September 2013;
- having taken note of the report regarding the adequacy of the exchange ratio drafted by AXIS S.r.l., on 19 March 2014, acting as a common expert designated pursuant to Article 2501-sexies of the Italian Civil Code by the Court of Bologna;
- having taken note that the records mentioned by Article 2501-septies of the Italian Civil Code were deposited at the registered offices of Hera S.p.A. and AMGA - AZIENDA MULTISERVIZI S.p.A. and published on the Company's website;
- considering the amendment of Articles 16.1 and 17.2 of the Articles of Association of Hera S.p.A. resolved by today's Meeting

resolves

(i) to amend, pursuant to Article 2502 paragraph 2 of the Italian Civil Code, the Articles of Association attached to the Merger Plan in order to incorporate the amendments made to Articles 16.1 and 17.2 of the Articles of Association of Hera S.p.A., and to approve the merger-by-incorporation plan of AMGA - Azienda Multiservizi S.p.A. into Hera S.p.A., as registered with the relevant Offices of the Register of Companies, according to the conditions and modalities outlined in the Merger Plan, including:

- with cancellation of all the shares representing the entire share capital of AMGA - Azienda Multiservizi S.p.A. and assignment to the respective holders of Hera S.p.A. shares according to the exchange ratio established in the Merger Plan;
- with cancellation without share swap of the 3,462 AMGA shares held by AMGA itself;
- with cancellation without share swap of the 8,788 AMGA shares held directly or indirectly by HERA, pursuant to Article 2504-ter of the Italian Civil Code; and
- with the resultant increase of the share capital of Hera SpA, in tranches, from the current amount of Euro 1,421,342,617 to a maximum nominal amount of Euro 1,489,538,745 by issuing a maximum of 68,196,128 ordinary shares with a nominal value of 1.00 Euro each, to be exclusively reserved to the service of the exchange associated with the Merger, with the exclusion of the subscription rights of the Hera SpA shareholders;
- with adoption, as of the effective date of the Merger, of the amendments of paragraph 5.1 of the Articles of Association in the text shown:

"ART. 5 SHARE CAPITAL

5.1 The share capital is Euro 1,489,538,745 (one billion four hundred eighty-nine million, five hundred thirty-eight thousand, seven hundred forty-five) represented by 1,489,538,745 (one billion four hundred eighty-nine million, five hundred thirty-eight thousand, seven hundred forty-five) shares with a nominal value of 1 (one) Euro each. The shares are freely transferable.

5.2 It will be possible for it to be increased at any time, including by way of credit and natural asset provision, by resolution of the Shareholders' Meeting, and including issuing shares bearing different rights than those born by shares already issued.

5.3 In the event of an increase in share capital, subscription privileges for the newly issued shares will be reserved to those having such rights, proportionately to the number of shares owned, apart from exceptions provided for by the law.";

(ii) to acknowledge that AMGA shareholders who did not participate in the deliberations concerning the Merger will be entitled to withdraw pursuant to and by effect of Article 2437, paragraph 1, letter a) of the Italian Civil Code, provided that the said withdrawal will at any rate gain effectiveness subject to the completion of the Merger;

(iii) to grant the broadest possible mandate to the Chairman of the Board of Directors to give effect to the resolution, even by means of proxy where required, necessary or appropriate, including the power to:

- stipulate and sign the public deed of Merger, establishing every clause and component, thereby including also the date of effectiveness, according to the provisions of the Merger Plan, as well as the exact quantity of share capital in its final amount, following the share swap;
- stipulate and sign any possible acknowledgment, integration and/or adjustment deeds, defining all clauses, terms and methods in accordance with the Merger Plan, consenting to the transfer of ownership and any business area, thereby including real estate and movable assets registered in public records, public and private securities, rights, security deposits, licenses, concessions, credits held with the State and other public entities;
- take note, in the context of the completion of the Merger, of the new Articles

of Association following the Merger, one of the aims being taking steps to deposit the required documentation with the Register of Companies;
- comply with all formalities required for the adopted resolutions to be listed in the Register of Companies, in particular with the authority to communicate the amount of share capital servicing the Merger and to effect possible modifications, deletions and/or additions to these resolutions which might be required at the time of registration, provided they are not substantial."

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 third 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 third 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 reported, 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 achieved the majority of two thirds of the share capital represented at the Meeting, as appears in the breakdown in the attached witnessing document, and with

980,326,298 votes in favour

54 votes against

105 abstentions

500 non-voters

the proposal was declared approved.

The Chairman then:

- consigned the Merger Plan as approved during the current Meeting to me, the plan having been registered for Hera at the Bologna Register of Companies on 27 January 2014, protocol number 5155/2014, and for AMGA at the Udine Register of Companies on 27 January 2014, protocol number 2832/2014, the plan along with its attachment being attached hereto as **appendix F)**, noting that, as an effect of the approval of the new Hera S.p.A. Articles of Association, the company that will emerge from the Merger, following the effective date of the Merger itself, will be regulated by the text of Articles of Association attached hereto as

appendix G);

- consigned the relation concerning the adequacy of the exchange ratio, drafted by the company "AXIS S.R.L." with register office in Reggio Emilia (RE), via Giovanni Gutenberg n. 3, tax code and registration number with the Reggio Emilia Register of Companies 01277220354, register at the Registry of Legal Revisers at n. 77125 as published in the Gazzetta Ufficiale della Repubblica Italiana n. 45 on 8 June 1999 by order dated 27 January 2014, acting as a common expert and charged with drafting, pursuant to Article 2501-sexies of the Italian Civil Code, the report on the adequacy of the exchange ratio, the Report being attached hereto as **appendix H);**

the Chairman declared to me that these documents had been registered according to the law.

The Articles of Association, updated with the amendment regarding the amount of share capital following the effective date of the Merger, will be deposited by the Administrative Body, represented by the Chairman, with the right to sub-delegate, at the Register of Companies within thirty days of the said effective date.

The Chairman asked me to take note that, with respect to the Merger Plan. all of the documentation referred to in Article 2501-septies of the Italian Civil Code has been deposited pursuant to the law and that, as an effect of Article 2502-bis of the Italian Civil Code, together with the present minutes and attached documents, the documents indicated in Article 2501-septies of the Italian Civil Code will be deposited at the Bologna Register of Companies, noting that the financial statements relative to the last three fiscal years have already been deposited at the Register of Companies with the protocol numbers indicated below:

- "**HERA S.p.A.**" deposited its financial statements at the Bologna Register of Companies with the following protocol numbers:

* for the financial year ending 31 December 2012, protocol number 35263/2013, on 14 May 2013;

* for the financial year ending 31 December 2011, protocol number 27733/2012, on 16 May 2012;

* for the financial year ending 31 December 2010, protocol number 24632/2011, on 9 May 2011;

- "**AMGA - AZIENDA MULTISERVIZI S.P.A.**" deposited its financial statements at the Udine Register of Companies with the following protocol numbers:

* for the financial year ending 31 December 2012, protocol number 38849/2013, on 29 July 2013;

* for the financial year ending 31 December 2011, protocol number 21078/2012, on 5 July 2012;

* for the financial year ending 31 December 2010, protocol number 23559/2011, on 1 August 2011.

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