



Repertory no. 60147

Depository no. 38488

**MINUTES OF THE ORDINARY SHAREHOLDERS MEETING OF**

**"HERA S.P.A." HEADQUARTERED IN BOLOGNA (BO)**

**I T A L I A N R E P U B L I C**

On the twenty-seventh of April two thousand seventeen, at 10:12 a.m.

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

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 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 7 March 2017, to discuss and resolve upon the following

AGENDA

1. **Financial statements for the year ended 31 December 2016, 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 2016.**
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.**
4. **Appointment of the members of the Board of Directors: related and consequent resolutions.**
5. **Definition of remuneration for the members of the Board of Directors: related and consequent resolutions.**
6. **Appointment of the members and the Chairman of the Board of Statutory Auditors: related and consequent resolutions.**
7. **Definition of the remuneration for the members of the Board of Statutory Auditors: related and consequent resolutions.**

The chairmanship of the Meeting was assumed pursuant to article

Reg.to a Imola  
il 04/05/2017  
n. 1783  
Serie 1T  
euro 356,00

13 of the Articles of Association and article 4 of the Shareholders' Meeting Regulations by said appearing 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;
- Giorgia Gagliardi, Director;
- Massimo Giusti, Director;
- Riccardo Illy, Director;
- Stefano Manara, Director;
- Danilo Manfredi, Director;
- Cesare Pillon, Director;

Apologies for absence were received from:

- Mara Bernardini, Director;
- Forte Clò, Director;
- Luca Mandrioli, Director;
- Tiziana Primori, 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 1,468,938,333 (one billion four hundred sixty-eight million nine hundred thirty-eight thousand

three hundred thirty-three) carry the right to intervene and vote at this Shareholders Meeting, with Hera S.p.A. currently holding 20,600,412 (twenty million six hundred thousand four hundred twelve) 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;

- 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, equalling 9.731% of share capital;

- Municipality of Imola, directly, 71,480 shares equalling 0.005% of share capital;

- Municipality of Imola, through CON.AMI, 103,294,164 shares, equalling 7.294% of share capital;

- Municipality of Modena, 97,107,948 shares, equalling 6.519% of share capital;

- Municipality of Ravenna, directly, 1,000 shares, equalling 0.00007% of share capital;

- Municipality of Ravenna, through Ravenna Holding S.p.A., 79,226,545 shares, equalling 5.319% of share capital;

- Municipality of Trieste, 68,569,983 shares, equalling 4.603%

of share capital;

- Municipality of Padua, 54,564,822 shares, equalling 3.663% of share capital.

He furthermore noted that the following Agreements were in effect:

- among 118 public shareholders, Voting Trust and Share Transfer Rules Agreement concerning procedures for the exercise of voting rights and the transfer of Hera shares held by the signatories, signed on 23 June 2015 for a period of three years, from 1 July 2015 to 30 June 2018;

- among 22 public shareholders from the Modena area, a Voting Trust Agreement concerning the definition of the procedures for the exercise of voting rights, the transfer of Hera shares held by the signatories and appointment of the members of the Board of Directors, signed on 25 June 2015 and effective from 1 July 2015. He additionally noted that effective as of 28 March 2017 the consultation agreement renewed most recently on 22 February 2016 by 5 minority shareholders was dissolved.

The Chairman in any case formally requested participants in the Meeting to communicate the existence of relationships, agreements or pacts, above and beyond those declared, and in any case situations involving, individually or collectively and pursuant to art. 8 of the Articles of Association, limitations on the exercise of the right to vote within the maximum overall limit of 5%.

None of those present requesting the floor, 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;

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,*

*at the conclusion of the three-year mandate of the Board of Directors we hereby present and submit to your approval the financial statements that reflect the Hera Group's activity during 2016.*

*This is the 15<sup>th</sup> year-end report presented since your Company was established and one can state without hesitation that the entire*

period in question has been marked by the quality of the results achieved concerning both the Group's growth and the role it has gained in the localities served and in its reference markets. In 2016 as well, despite the conditions that define our country's scenario still showing a fragile economic framework and difficulties in launching a phase of recovery, we recorded another year of positive results as regards the various facets of management.

EBITDA indeed reached 917 million, with a 3.6% increase over the previous year in spite of the effects of a few significant regulatory interventions that weighed in negatively for no less than 48 million. Had these events not taken place, the Company would have manifested a growth potential reaching almost 80 million. I would also like to point out that over our three-year mandate growth in EBITDA has amounted to 106 million.

The operating measure mentioned above was bolstered among other things by four acquisition operations on liberalised markets involving companies that, while being limited in size, reinforced the waste and energy sectors uninfluenced by delays in implementing reforms, which are still expected for a few regulatory aspects concerning regulated activities, with particular shortcomings still seen in the sector of environmental services.

From the point of view of financial solidity as well, significant results have been reached which saw a reduction in net financial debt amounting to 93 compared to the previous year, owing to an attentive management of net circulating capital and the care given to containing financial burdens. This led to a reduction in the net financial debt/EBITDA ratio, which settled at 2.78, confirming the positive opinions of the Group's financial solidity expressed by rating agencies, which are already today among the best in the sector (at the beginning of the three-year period this measure came to 3.2). The trends seen in all other balance sheet indicators were also positive, underlining the solidity of the Group's financial and operative conditions which to a large extent surpassed the objectives set in the Business Plan, also as regards the generation of cash flow.

The level of net investments came to 366 million with an increase of 33% over 2015, confirming the Group's commitment towards pursuing its path of development.

These results ensued above all from the contribution to internal growth consisting in the attention shown towards efficiency, cost containment and the level of innovation which characterised our activity in this period (the EBITDA/employee ratio grew by 10% over the three-year period under discussion).

The contribution coming from sales activities in free market areas was noteworthy, confirming, through a comparison with larger operators as well, the already well-established competitive ability of our commercial structures which should guarantee an adequate approach in maintaining our primary role gained in the

geographical areas served. This also concerns the upcoming period of tenders for the renewal of grants, expected in the remaining four years of the Business Plan

As regards policies oriented towards sustainability, the results have been fully satisfactory, concerning both the environmental impact of the Group's activities and the value, from a social point of view as well, that has continued to be produced, in line with the Company's foundational characteristics. As far as service quality is concerned as well, the judgements expressed by our customers, both on the whole and concerning each single area, has by now consistently reached levels of excellence.

Our sustainability report furthermore bears witness to a constant diligence in dealing with environmental issues from a viewpoint emphasising modernity and responsibility in the solutions adopted.

This year as well the Board of Directors proposes to the Meeting a dividend of 9 cents per share, in line with the forecast provided in the Business Plan; this same Plan has as always been renewed for 2016-2020, confirming the overall strategic framework and projecting an increase in the results foreseen. This has brought us to make room, beginning as of the dividends paid in 2018 payments, for a dividend policy showing growth over our historical trends, gradually reaching 11% over the upcoming four years.

I therefore believe, while thanking the Board of Directors and the Board of Statutory Auditors for the efforts they have made, that the continuity of our results can be attributed to all the personnel who contributed to creating it, allowing us to close the year with a positive vision of the possibilities for further growth that the Company shows for its own future.

Thanking you all for your attention, we hereby submit to your approval the fruits of our work."

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

**1. Financial statements for the year ended 31 December 2016, 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 2016.**

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 2016.

CEO Stefano Venier proceeded with an account of the Hera Group's performance, dwelling on the most relevant facts occurred in 2016 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 2016 separate and consolidated financial statements, Deloitte & Touche S.p.A. spent 3,500 (three thousand five hundred) 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 taken by shareholder Enrico Nannetti, maintaining that a shareholder willingly invests in HERA when capital return increases, rather than the dividends paid, and when the Management's activity attains satisfying confirmation. It is important for the Company to create moments in which its choices are communicated to shareholders, furthermore promoting meeting with citizens to illustrate its planned investments.

He invited a simplification of the forms involved in electronic voting to be considered.

He positively evaluated the reduction of HERA's debt and thanked the Board of Directors and the Management for their work.

He sustained however that it may be necessary for a few more years to limit the amount destined to dividends paid so as to make a larger sum available for investments, considering that various challenges are still awaiting.

Even while giving a positive evaluation of HERA, he declared his intention to abstain from voting because in his opinion 50% of dividends should be reinvested.

Lastly, he formulated a proposal: restructuring the network with publicly generated resources.

He delivered a document to the President of the Associazione Moneta Positiva, based in Casalecchio di Reno.

Shareholder Oddi Corrado, a member of the Forum Italiano dei Movimenti per l'Acqua and the Comitato Acqua Bene Comune of the Emilia Romagna Region, took the floor to express a few brief

thoughts about a large Company which in his opinion is oriented towards producing profits and that pays dividends. From 2010 to 2015, 80% of profits was distributed in dividends and in the years to come this amount will increase. At the same time, the amount of investments made compared to EBITDA decreases from year to year. He sees a problem in this choice, because HERA is a company that offers fundamental public services based on citizens' rights. From this point of view, he raised two questions: (i) whether or not this fundamental contradiction (services to citizens and the pursuit of profit) was to be recognised, and (ii) whether it would not be better to follow an alternative rationale, aimed at investing in sectors of use to the community, such as reducing water loss in the network.

Shareholder Sebastiano Pinat took the floor to thank the Chairman and the CEO for their concise and precise description of the data contained in the financial statements, which fully satisfied him. He thanked the Chairman in particular, whom he has known since the time in which he gained experience in the Trieste company, for the change in mentality that at the time he succeeded in bringing about in managers and executives and for his skill in listening to potentially conflicting positions.

He then asked, as regards the upcoming tenders in the gas sector, how the reimbursement value would be defined.

Daniele Manca, Mayor of the Municipality of Imola, took the floor in order to highlight the outstanding quality of the results reached after three significant and difficult years. Speaking on behalf of Municipality HERA shareholders, he thanked the Chairman, the CEO and the entire Board of Directors.

HERA is a highly significant enterprise that represents a decisive factor for the regional system's growth. This Group has grown, has renewed itself, has created employment and is characterised by a notable financial management, and its Sustainability report shows important effects on the territory. All of this in a context in which many of the rules to which the Group must comply are defined by third-party Authorities.

He underlined that HERA increases its investments, while maintaining a high quality of service. Companies that do not produce positive results are destined to disappear.

It is a question of showing great responsibility towards its 8,500 employees, who become 15,000 if satellite activities are included.

He then took up once again the issue of investments (our country must succeed in getting them off the ground once again) and policies concerning dividends (which fuel investments in various local areas).

We are dealing with a large-scale industrial process in which the public system is also an actor.

Fifteen years after the establishment of HERA, one important novelty can be boasted, so-called circular economy, and one can affirm that HERA has been able to seize the changes involved.

HERA's presence is not neutral, because the stakes are high as regards further growth and greater employment.

We are dealing with a process that must be put into relation with a regional system and promote its local roots.

Profits must not be perceived as an illness; the true illnesses are inefficiency and enterprises that close.

Chairman Tommasi di Vignano responded to Shareholder Nannetti Enrico who, after so many years, has expressed his appreciation of HERA's results.

He stated that he does not agree with an opposition between dividends and investments, in that HERA has implemented a significant quantity of investments, considering that in these 15 years they have reached over 5 billion euro, of which more than 2 billion concern the water system alone. With this, he believes that he has also responded to the other interventions on the same topic.

He retains that it is correct to provide a return for shareholders in terms of dividends, and over the upcoming 4 years an adjustment has been foreseen, increasing the dividend per share, because the conditions necessary to execute it are in place.

He believes that neither the investments to be implemented nor the return to be given to shareholders have ever been neglected. To Shareholder Oddi, he responded that the Company pays a great deal of attention to the issue of water, so much so that this is the sector in which investments are mainly concentrated, reaching over 100 million euro per year.

He expressed his thanks to Shareholder Pinat both for reminding him of the past and for his appreciation of the results.

As regards the question put forward, he stated that the gas tenders have not yet materialised. HERA has demonstrated its ability to compete in the context of tenders, in regulated sectors as well; on this matter, he mentioned the tenders for public lighting and heat management.

He then thanked Mayor Daniele Manca for the considerations he expressed as to the results illustrated. These results are tailored to employees, customers and market trends. He referred that one of the country's important analysts has defined HERA as the country's best local utility.

On this matter, a slide was projected that is attached hereto as **Appendix B1**, which illustrates the trend of HERA stock over the last three years.

Since there were no further statements, the Chairman declared the discussion closed and 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:

*"The 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 2016, that ends with a profit of Euro 144,687,055.75;

**resolves**

**a)** to approve the financial statement of Hera S.p.A. as at 31 December 2016 and the Report on management drafted by the Board of Directors;

**b)** to allocate the profit from 1 January 2016 - 31 December 2016, which is equal to Euro 144,687,055.75 as follows:

\* Euro 7,234,352.79 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 3,394,215.91 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 21 June 2016, with the detachment of the coupon n. 15 on 19 June 2016, said dividend being paid to shares registered on 20 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.

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

- 1,140,008,367 votes in favour, equal to 99.181012% of the ordinary shares represented;
- 111,289 votes against, equal to 0.009682% of the ordinary shares represented;
- 485,344 abstentions, equal to 0.042225% of the ordinary shares represented;
- 8,817,000 non-voters, equal to 0.767081% of the ordinary shares represented,

**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 was closed, and moved on to discuss the second item.

## **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 2016 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 Report, approved by the Board of Directors upon the proposal of the Remuneration Committee on 21 March 2017, defines and illustrates:

- in Section I, the Policy adopted by Hera for remuneration of Top management, Executives and the General Manager of Operations, specifying the general aims pursued, the organs involved and the procedures adopted in defining and implementing the Policy;
- in Section II, the compensation nominally paid during 2016 to the members of the Administrative and Control Bodies and the General Manager of Operations.

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 Policy is 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 Remuneration Committee has the task of formulating proposals for the Board of Directors regarding remuneration for the Chairman, the Vice Chairman, the CEO and the General Manager of Operations as well as, based on indications provided by the Executive Chairman, the adoption of general criteria for remuneration of managers.

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

He specified that the guidelines adopted in defining 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.

He added that 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 in question is determined according to the weight of the organisational position, based on which a benchmark with priorly chosen external markets is established. These markets are taken from remuneration surveys in which the Group participates, entrusted to specialised sector companies. Generally speaking, the wage scale is located in the middle bracket of the market (first quartile/median). These market references, coupled with an assessment of the individual's performance and managerial competencies, are at the basis of individual revisions of remuneration.

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).

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

3. Deferred variable retribution for management retention.

He informed attendees that in this regard the Board of Directors approved at its meeting held on 22 March 2016 the application of a retention plan to a small number of executives, taking into account the weight of the organizational position, an assessment of the performance achieved during the process of development and

age.

He noted, in line with a benchmark policy which is constantly prudent with respect to market developments, that trends in remuneration for Hera S.p.A.'s directors and management fall below both the level of remuneration in other similar companies and the average of the first hundred listed companies in Italy in order of capitalization.

He emphasised that during the over ten years that have passed since the establishment of the Hera Group (2002), its results have consistently grown, with EBITDA having almost quintupled over the years (from Euro 192 million in 2002 to over Euro 917 million in 2016).

Given the particular sensitivity of the issue of remuneration policies in the current historical moment, the Chairman 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 2016, 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 2016 amounted to approximately Euro 836,000 net of the compensation totalling approximately Euro 608,000 collected by Hera for the participation of directors/managers in the corporate bodies of subsidiary companies.

He furthermore called the attendees' attention to the upcoming introduction, for executive managers, following the renewal of the administrative body:

- of a clause stating that, in the event of an administrator's dismissal (subject to the hypothesis of just cause), an amount of indemnity is to be paid to said administrator, covering any other claim, equal to that which the individual concerned would have perceived as remuneration, ex art. 2389 c.c., amounting to 18 months; noting that, in the past, this indemnity would at most have reached a sum commensurate with what the person concerned

would have received as remuneration until the expiry of the mandate;

- of a claw-back clause that will introduce the obligation to return variable components of remuneration paid (or to hold deferred sums) determined on the basis of incorrectly disclosed data, and will be effective from the date of appointment for the entire term of office; the request for restitution may be activated, once the investigations in question have been closed, within three years of payment, making reference to the year in which the case occurred.

At any rate, considering the delicate nature of the issue, especially during the current historical moment, the Chairman sought to reassure 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.

Given that there were no statements, he declared the discussion closed and proceeded with the voting.

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:

*"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 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.

Holder 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

- 1,095,895,387 votes in favour, equal to 95.743267% of the ordinary shares represented;
- 13,180,245 votes against, equal to 1.151497% of the ordinary shares represented;
- 26,726,119 abstentions, equal to 2.334936% of the ordinary shares represented;
- 8,817,000 non-voters, equal to 0.770300% of the ordinary shares represented,

**the proposal was declared approved.**

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

**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 2016 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 20,600,412 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 2016 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 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 there were no statements, he declared the discussion closed and proceeded with the voting.

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:

*"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 2016 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 sheets 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

- 1,126,266,001 votes in favour, equal to 98.670383% of the ordinary shares represented;
- 5,526,428 votes against, equal to 0.484162% of the ordinary shares represented;
- 833,386 abstentions, equal to 0.073012% of the ordinary shares

represented;

- 8,817,000 non-voters, equal to 0.772443% of the ordinary shares represented,

**the proposal was declared approved.**

The Chairman noted that the discussion of the third item on the agenda was closed, and moved on to discuss the fourth item.

**4. Appointment of the members of the Board of Directors: 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 the current Board of Directors of HERA S.p.A. had been nominated during the Shareholders' Meeting held on 23 April 2014, that their mandate expires with today's Meeting, and lastly that the procedures for nominating the members of the Board of Directors are indicated in Article 17 of the Articles of Association.

Before proceeding, the Chairman brought attention to the amendments of the Articles of Association resolved by the Shareholders Meeting held on 28 April 2015, which introduced, among other things, a Transitory Clause intended set into place, as of the Meeting held to approve the 2016 Financial statements, a number of amendments to paragraphs 16.1, 17.1 and 17.2 of the Articles of Association.

In particular, the amendment to Article 16.1 concerns the increase of the number of current members of the Board of Directors from 14 to 15 members; the amendment to Article 17.2 regulates the increase from 3 to 4 of the number of members of the Board of Directors drawn from the lists submitted by minority shareholders, while the amendment to Article 17.1 is intended to coordinate the text of the clause with the new text Of Article 17.2.

He communicated that, as regards the nomination of the members of the Board of Directors, 3 lists, whose details are provided below, had been deposited according to the modalities and terms foreseen by the current Articles of Association, Article 17:

**LIST 1**

This list was presented on 27 March 2017 by the following shareholders: Municipality of Bologna, Municipality of Casalecchio di Reno, Municipality of Cesena, Municipality of Modena, Municipality of Padova, Municipality of Trieste, Municipality of Udine, Con.Ami, Holding Ferrara Servizi S.r.l., Ravenna Holding S.p.A. and Rimini Holding S.p.A., all having signed the "Voting Trust and Share Transfer Rules Agreement" and representing over 1% of the shares bearing the right to vote; it indicated the following candidates, listed in numerical order:

1. Tomaso Tommasi di Vignano
2. Stefano Venier
3. Giovanni Basile

4. Giorgia Gagliardi
5. Stefano Manara
6. Danilo Manfredi
7. Giovanni Xilo
8. Sara Lorenzon
9. Marina Vignola
10. Aldo Luciano
11. Federica Seganti

Curricula with the personal and professional characteristics of each candidate, irrevocable acceptances of the office, as well as additional declarations foreseen by the Articles of Association and by current sector regulations, had all been deposited together with this list.

The candidates indicated from the 3<sup>rd</sup> to the 11<sup>th</sup> position had declared that they possessed the requisites of independence required by the Articles of Association and by current sector regulations.

#### **LIST 2**

This list was presented on 31 March 2017 by the following shareholders: Arca Fondi S.G.R. S.p.A., manager of the fund Arca Azioni Italia; Eurizon Capital SGR S.p.A., manager of the funds: Eurizon Progetto Italia 40, Eurizon Progetto Italia 20, Eurizon Azioni Italia, Eurizon Azioni PMI Italia and Eurizon Progetto Italia 70; Eurizon Capital SA, manager of the funds: Equity Italy, Equity Small Mid Cap Italy and Equity Italy Smart Volatility; Fideuram Asset Management (Ireland), manager of the funds: Fideuram Fund Equity Italy and Fonditalia Equity Italy; Fideuram Investimenti S.p.A., manager of the fund Fideuram Italia; Interfund Sicav Interfund Equity Italy; Legal & General Assurance (Pensions Management) Limited; Mediolanum Gestione Fondi SGR S.p.A., manager of the funds: Mediolanum Flessibile Italia and Mediolanum Flessibile Sviluppo Italia; Mediolanum International Funds - challenge fund - challenge fund Italian Equity; Pioneer Investment Management SGRpa, manager of the fund Pioneer Azionario Crescita; Pioneer Asset Management SA, manager of the funds: PF Italian Equity and PF European Potential, representing over 1% of the shares bearing the right to vote, and indicating the following candidates, listed in numerical order:

1. Erwin P.W. Rauhe
2. Francesca Fiore
3. Duccio Regoli
4. Sofia Bianchi
5. Silvia Muzi

Curricula with the personal and professional characteristics of each candidate, irrevocable acceptances of the office, as well as additional declarations, including concerning the possession of independence as required by the Articles of Association and by current sector regulations, had all been deposited together with this list.

#### **LIST 3**

This list was presented on 31 March 2017 by shareholder Gruppo Società Gas Rimini S.p.A., representing over 1% of the shares bearing the right to vote, and indicating the following candidates, listed in numerical order:

1. Massimo Giusti
2. Bruno Tani
3. Fabio Bacchilega
4. Valeria Falce

Curricula with the personal and professional characteristics of each candidate, irrevocable acceptances of the office, as well as additional declarations, including concerning the possession of independence as required by the Articles of Association and by current sector regulations, had all been deposited together with this list.

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.

The floor was taken by Diotallevi Demis, representing the Gruppo Società Gas Rimini, who expressed his happiness with the 2016 results and thanks the outgoing Board of Directors for their work. He maintains that the mix of business areas that respond to the Parent company is well balanced and stated his appreciation for the quality of the people who work in the Group. He furthermore maintains that shareholders can consider their money well invested in this Company.

He then proceeded to read a note, which was delivered to the Chairman attached hereto as **Appendix G1**), concerning List no. 2 for both the Board of Directors and the Board of Statutory Auditors and in particular the number of candidates for director and the number of candidates for member of the Board of Statutory Auditors.

The floor was taken by Massimo Bosso, Mayor of the Municipality of Casalecchio di Reno, who intervened, speaking on behalf of the minor Municipality shareholders of the Bologna area, to underline how significant it was to be able to vote for the members of the Board of Directors of HERA S.p.A., a company that represents a large value for its Public shareholders, united by a Voting Trust Agreement, both in terms of profitability and the quality of the services provided to citizens.

He expressed his particular thanks to outgoing Director Forte Clò

for the commitment shown over the years.

He further maintained that the rift that had appeared in defining the list with the Municipality of Bologna must be healed through the upcoming work which will lead to a signing of the Second level agreement between the Municipality of Bologna and the Minor Municipalities of the Bologna Area, in any case already agreed upon in 2016 with the Auditors as well.

Merciari Moreno, delegated by the Studio Trevisan & Associati, responsible for depositing List no. 2, took the floor to specify, with respect to what had emerged in Diotallevi's intervention, that the fifth name of the candidates for director was indicated based on the mechanism regulating secondary choices foreseen by the Articles of Association.

It being 12:50 p.m., the Chairman suspended the meeting.

It being 13:05 p.m., the Meeting recommenced and the Chairman, in order to respond to the observations raised as to the presentation of the lists, gave the floor to the notary signing the present document.

The notary reminded those present that, in the absence of specific legal provisions, the number of members to be elected that can be indicated in each list must be defined according to the Articles of Association.

In particular, the only legal point of reference in this matter is represented by art. 147-ter of the TUF, which however, on this subject, refers to the provisions of the Articles of Association. It follows that this rule, whose status is that of an ordinary law, cannot be waived by the Consob Issuers Regulations, nor by the notice convening the Shareholders Meeting.

In the present case, that profile is governed by article 17.1 of the Articles of Association, in the version stated by the transitional clause provided for in the final part of the Articles themselves (which comes into force as of today), pursuant to which, insofar as is currently relevant, *"the election of members of the Board of Directors is done on the basis of lists in which the candidates are marked by a progressive number and whose number is in any case no more than the constituents to be elected"*. The latter number, as set out the preceding Article 16.1, must be considered as not 4, but 15 members.

There is therefore no reason to proceed with anything but a literal interpretation of this clause, which for the so-called minority lists sets the maximum amount at the number of directors to be elected through said minority lists, for the following two reasons:

- i. firstly, article 17.9 of the Articles of Association provides that *"In the event that the elected candidate cannot or does not intend to assume office, he will be replaced with the first of the non-elected from the list to which that candidate belonged, in compliance with the principles of gender balance envisaged by current regulations"*;
- ii. secondly, article 17.10 of the Articles of Association

provides, in a corresponding way, that *"If one or more directors appointed on the basis of the list do not reach the end of their mandate, they will be replaced, in accordance with art. 2386 of the Italian Civil Code, by the first non-elected candidates from the same list as the lacking directors, who have not yet become part of the Board of Directors, in compliance with the principles of gender balance envisaged by current regulations"*.

Consequently, each minority list may contain a higher number of names than the total number of minority councilors provided for by the Articles of Association, to ensure the presence of directors in the event that, at the time of appointment, one or more of the names in the list, for natural or legal reasons, is not in a position to be elected (or, subsequently, to remain in office).

All three lists, therefore, must be admitted to voting.

Given that there were no statements, he declared the discussion closed and proceeded with the vote.

#### Vote on the lists

For the appointment of the members of the Board of Directors he now submitted the lists presented to the voting procedures.

Voting on the current item on the agenda was to take place by way of the "radiovoter", according to the following procedures.

He reminded those present that, pursuant to Article 17 of the Articles of Association, each shareholder could vote for only one list. Votes cast in violation of that prohibition would not be attributed to any list.

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

- (i) from the list obtaining the greatest number of votes, 11 (eleven) members of the Board of Directors shall be taken based on the consecutive order in which they are listed, of which at least 4 (four) belonging to the least represented gender;
- (ii) for the appointment of the remaining 4 (four) members, the votes obtained by every list different from the one described in paragraph (i) above would be progressively divided by one, two, three and four. The quotients thus obtained are assigned progressively to the candidates of each list, in the order provided for therein. The candidates are thus arranged in a single decreasing classification, according to the quotients assigned to each candidate. Candidates winning the largest quotients will be elected, until the remaining number of members to be elected is reached, including at least 1 (one) belonging to the least represented gender.

Once the voting procedure for the lists had been declared open, Shareholders were invited to use the "radiovoter" and press button "1" to vote for list 1, button "2" to vote for list 2, button "C" to cast a vote AGAINST all of the lists, or button "A" to ABSTAIN from voting.

At this moment - before activating the button "OK" - Shareholders still have the possibility of modifying their choice, by simply

pressing the button corresponding to the new choice they intend to make.

After verifying on the "display" the correctness of the choice made, Shareholders must press the "OK" button found on the "radiovoter" to definitively cast their vote, a confirmation of which will be given on the "display" itself. As of this moment the vote cast can no longer be modified, without proceeding to the "assisted voting" station found in the middle of the hall. He also stated that those who do not vote or do not confirm their vote by way of the OK button will be classified as "NON-VOTERS". He furthermore reminded those present that detailed instructions for use of the "radiovoters" for Voting the Lists were found in a specific document contained in the folder provided to all those participating at reception.

Shareholders holding proxies who intended to cast votes that varied among the shares represented overall were to go to the special voting station indicated above, called "assisted voting"; Lastly, Shareholders were strongly encouraged not to enter and exit the room during voting operations, to facilitate a proper attendance count.

He then declared the voting procedure open on the proposed resolution concerning the fourth item on the agenda.

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 ("1" to vote list 1, "2" to vote list 2, "A" for ABSTAIN or "C" to vote AGAINST); please, proceed to press the button;
- 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 fourth item of the agenda closed and asked a staff member from the "assisted voting" station to provide the results of the vote. He then communicated the outcome of the vote as provided by the "assisted voting" station.

He thus 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 G** :

**LIST 1** presented by the shareholders Municipality of Bologna, Municipality of Casalecchio di Reno, Municipality of Cesena,

Municipality of Modena, Municipality of Padova, Municipality of Trieste, Municipality of Udine, Con.Ami, Holding Ferrara Servizi S.r.l., Ravenna Holding S.p.A. and Rimini Holding S.p.A., belonging to the "Voting Trust and Share Transfer Rules Agreement", received votes representing 702,393,315 shares, corresponding to 61.327607% of the share capital present.

**LIST 2** presented by shareholders Arca Fondi S.G.R. S.p.A., manager of the fund Arca Azioni Italia; Eurizon Capital SGR S.p.A., manager of the funds: Eurizon Progetto Italia 40, Eurizon Progetto Italia 20, Eurizon Azioni Italia, Eurizon Azioni PMI Italia and Eurizon Progetto Italia 70; Eurizon Capital SA, manager of the funds: Equity Italy, Equity Small Mid Cap Italy and Equity Italy Smart Volatility; Fideuram Asset Management (Ireland), manager of the funds: Fideuram Fund Equity Italy and Fonditalia Equity Italy; Fideuram Investimenti S.p.A., manager of the fund Fideuram Italia; Interfund Sicav Interfund Equity Italy; Legal & General Assurance (Pensions Management) Limited; Mediolanum Gestione Fondi SGR S.p.A., manager of the funds: Mediolanum Flessibile Italia and Mediolanum Flessibile Sviluppo Italia; Mediolanum International Funds - challenge fund - challenge fund Italian Equity; Pioneer Investment Management SGRpa, manager of the fund Pioneer Azionario Crescita; Pioneer Asset Management SA, manager of the funds: PF Italian Equity and PF European Potential, received votes representing 270,583,619 shares, corresponding to 23,625290% of the share capital present.

**LIST 3** presented by shareholder Gruppo Società Gas Rimini S.p.A., received votes representing 167,704,645 shares, corresponding to 14.642686% of the share capital present.

The following votes were also cast:

- 3,061,930 votes against, corresponding to 0.267344% of the ordinary shares represented
- 1,569,919 abstentions, corresponding to 0.137073% of the shares represented;
- 0 non-voters

At the conclusion of the voting procedure, as foreseen by Article 17 of the Articles of Association, he therefore declared that the following had been appointed as members of the Board of Directors, and would elect domicile for the office in Bologna, Viale Carlo Berti Pichat 2/4 at the registered office of Hera S.p.A.:

1. **Tomaso Tommasi di Vignano**, born in Brescia (BS) on 14 July 1947, tax code TMM TMS 47L14 B157W;
2. **Stefano Venier**, born in Udine (UD) on 3 April 1963, tax code VNR SFN 63D03 L483M;
3. **Giovanni Basile**, born in Padova (PD) on 15 April 1965, tax code BSL GNN 65D15 G224U;
4. **Giorgia Gagliardi**, born in Lugo (RA) on 3 May 1982, tax code GGL GRG 82E43 E730H;
5. **Stefano Manara**, born in Imola (BO) on 5 January 1968, tax code MNR SFN 68A05 E289C;
6. **Danilo Manfredi**, born in Forlì (FC) on 10 September 1969, tax

code MNF DNL 69P10 D704G;

7. **Giovanni Xilo**, born in Bologna (BO) on 29 March 1962, tax code XLI GNN 62C29 A944R;

8. **Sara Lorenzon**, born in Vittorio Veneto (TV) on 2 October 1981, tax code LRN SRA 81R42 M089Q;

9. **Marina Vignola**, born in Salerno (SA) on 17 April 1970, tax code VGN MRN 70D57 H703Q;

10. **Aldo Luciano**, born in Napoli (NA) on 6 December 1951, tax code LCN LDA 51T06 F839F;

11. **Federica Seganti**, born in Trieste (TS) on 29 May 1966, tax code SGN FRC 66E69 L424L;

12. **Erwin Paul Walter Rauhe**, born in Castelrotto (BZ) on 28 October 1955, tax code RHA RNP 55R28 C254G;

13. **Massimo Giusti**, born in Sassuolo (MO) on 7 May 1967, tax code GST MSM 67E07 I462D;

14. **Francesca Fiore**, born in Napoli (NA) on 27 March 1967, tax code FRI FNC 67C67 F839S;

15. **Duccio Regoli**, born in Lucca (LU) on 8 July 1961, tax code RGL DCC 61L08 E715Y.

The Chairman furthermore stated that, as foreseen by Article 16.1 of the Articles of Association, the Members of the Board of Directors would remain in office for three financial years, more precisely until the Shareholders' Meeting called to approve the financial statements for the year that closes on 31 December 2019. The Chairman declared his acceptance of office conferred on him, and furthermore took note that the administrators had pre-emptively accepted the offices conferred on them, declaring under their own responsibility the non-existence of grounds for ineligibility or forfeiture foreseen by the law.

The Chairman declared that the discussion of the fourth item on the agenda was closed, and moved on to a discussion of the fifth item.

**5. Definition of remuneration for the members of the Board of Directors: 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 remuneration for the members of the preceding Board of Directors was set by the Ordinary Shareholders Meeting of 23 April 2014 at 40,000 Euros gross each per annum, in addition to reimbursement of expenses incurred in the performance of their duties according to the criteria set in reference to the ACI tables for the reimbursement of automobile expenses and official documentation (train tickets, invoices, etc.) for other expenses incurred.

The floor was taken by Daniele Manca, Mayor of the Municipality of Imola, who, speaking on behalf of the Public Shareholders, made the following proposal:

"A remuneration of 40,000 Euros gross each per annum, in addition

to reimbursement of expenses incurred in the performance of their duties according to the criteria set in reference to the ACI tables for the reimbursement of automobile expenses and official documentation (train tickets, invoices, etc.) for other expenses incurred."

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 Enrico Nannetti took the floor to ask if it was possible to insert within the Company's website a "logbook" of the activities of each member of the Board of Directors during the year.

While the activity of the Director entrusted with local relations is by its very nature visible and tangible, this is not the case, in his opinion, for the other directors.

He expressed his best wishes to the outgoing Director Forte Clò, thanking him for carrying out his work with commitment and competence, furthering the interests of both the Company and the local area in the province of Bologna. He concluded by addressing his best wishes of good work to the incoming Director Giovanni Xilo.

The Chairman took the floor, specifying that a calendar exists of the activities of the Board of Directors for the entire year and is available to Directors, as well as to the Committees nominated within the Board of Directors.

Given that there were no more requests to take the floor, the Chairman declared the discussion closed and moved on to the vote.

Submission of the proposed resolution

Having heard the interventions of the Shareholders, he submitted for the approval of today's Meeting the following proposal for the quantification of the remuneration to be paid to the members of the Board of Directors:

*"A remuneration of 40,000 Euros gross each per annum, in addition to reimbursement of expenses incurred in the performance of their duties according to the criteria set in reference to the ACI tables for the reimbursement of automobile expenses and official documentation (train tickets, invoices, etc.) for other expenses incurred."*

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 fifth item on the agenda.

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 fifth item of the agenda 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 H**):

having obtained the approval of the 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

- 849,811,069 votes in favour, corresponding to 74.679107% of the ordinary share represented;
- 237,510,326 votes against, corresponding to 20.871768% of the ordinary share represented;
- 41,811,832 abstentions, corresponding to 3.674311% of the ordinary share represented;
- 8,817,000 non-voters, corresponding to 0.774814% of the ordinary share represented,

**the proposal was declared approved.**

The Chairman noted that the discussion of the fifth item on the agenda was closed, and moved on to discuss the sixth item.

**6. Appointment of the members and the Chairman of the Board of Statutory Auditors: 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 communicated that 3 lists had been deposited for the nomination of the members of the Board of Statutory Auditors.

These lists were presented according to the modalities and terms foreseen by the current Articles of Association, Article 26.

In particular,

- **LIST 1** was presented on 27 March 2017 by the shareholders Municipality of Bologna, Municipality of Casalecchio di Reno, Municipality of Cesena, Municipality of Modena, Municipality of Padova, Municipality of Trieste, Municipality of Udine, Con.Ami, Holding Ferrara Servizi S.r.l., Ravenna Holding S.p.A. and Rimini Holding S.p.A., belonging to the "Voting Trust and Share Transfer Rules Agreement", and representing over 1% of the shares bearing the right to vote; it indicated the following candidates, listed in numerical order:

1. Marianna Girolomini - Standing auditor
2. Antonio Gaiani - Standing auditor
3. Valeria Bortolotti - Alternate auditor

Curricula with the personal and professional characteristics of each candidate, irrevocable acceptances of the office, as well as additional declarations foreseen by the Articles of Association and by current sector regulations, had all been deposited together with this list.

A list of the administrative and control offices held by each candidate in other companies was also provided;

**LIST 2** was presented on 31 March 2017 by shareholders Arca Fondi S.G.R. S.p.A., manager of the fund Arca Azioni Italia; Eurizon Capital SGR S.p.A., manager of the funds: Eurizon Progetto Italia 40, Eurizon Progetto Italia 20, Eurizon Azioni Italia, Eurizon Azioni PMI Italia and Eurizon Progetto Italia 70; Eurizon Capital SA, manager of the funds: Equity Italy, Equity Small Mid Cap Italy and Equity Italy Smart Volatility; Fideuram Asset Management (Ireland), manager of the funds: Fideuram Fund Equity Italy and Fonditalia Equity Italy; Fideuram Investimenti S.p.A., manager of the fund Fideuram Italia; Interfund Sicav Interfund Equity Italy; Legal & General Assurance (Pensions Management) Limited; Mediolanum Gestione Fondi SGR S.p.A., manager of the funds: Mediolanum Flessibile Italia and Mediolanum Flessibile Sviluppo Italia; Mediolanum International Funds - challenge fund - challenge fund Italian Equity; Pioneer Investment Management SGRpa, manager of the fund Pioneer Azionario Crescita; Pioneer Asset Management SA, manager of the funds: PF Italian Equity and PF European Potential, representing over 1% of the shares bearing the right to vote; it indicated the following candidates, listed in numerical order:

1. Myriam Amato - Standing auditor
2. Stefano Gnocchi - Alternate auditor
3. Emanuela Rollino - Alternate auditor

Curricula with the personal and professional characteristics of each candidate, irrevocable acceptances of the office, as well as additional declarations foreseen by the Articles of Association and by current sector regulations, had all been deposited together with this list.

A list of the administrative and control offices held by each candidate in other companies was also provided;

- **LIST 3** was presented on 31 March 2017 by shareholder Gruppo Società Gas Rimini S.p.A., representing over 1% of the shares bearing the right to vote; it indicated the following candidates, listed in numerical order:

1. Elisabetta Baldazzi - Standing auditor
2. Antonio Venturini - Alternate auditor

Curricula with the personal and professional characteristics of each candidate, irrevocable acceptances of the office, as well as additional declarations foreseen by the Articles of Association and by current sector regulations, had all been deposited together with this list.

A list of the administrative and control offices held by each candidate in other companies was also provided;

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.

Since there were no requests to take the floor, he declared the discussion closed and moved on to the vote.

Vote for the lists

For the appointment of the Board of Statutory Auditors he now submitted the lists presented to the established voting procedures.

Voting on the current item on the agenda was to take place by way of the "radiovoter", according to the following procedures.

He reminded those present that, pursuant to Article 17 of the Articles of Association, each shareholder could vote for only one list.

The appointment of the members of the Board of Statutory Auditors shall take place as provided for below:

(i) from the list obtaining the largest number of votes, 2 (two) Standing statutory auditors and 1 (one) Alternate shall be taken, in the consecutive order in which they are listed on the said list, of whom at least one standing auditor belonging to the least represented gender;

(ii) the third Standing statutory auditor and the other Alternate shall be taken from the other lists, electing the first and second candidate from the list having obtained the second highest quotient, of whom at least one alternate auditor from the

least represented gender.

Once the voting procedure for the lists had been declared open, Shareholders were invited to use the "radiovoter" and press button "1" to vote for list 1, button "2" to vote for list 2, button "3" to vote for list 3, button "C" to cast a vote AGAINST all of the lists, or button "A" to ABSTAIN from voting.

At this moment - before activating the button "OK" - Shareholders still have the possibility of modifying their choice, by simply pressing the button corresponding to the new choice they intend to make.

After having verified on the "display" the correctness of the choice made, Shareholders must press the "OK" button found on the "radiovoter" to definitively cast their vote, a confirmation of which will be given on the "display" itself. As of this moment the vote cast can no longer be modified, without proceeding to the "assisted voting" station.

He also stated that those who do not vote or do not confirm their vote by way of the OK button will be classified as "NON-VOTERS". He furthermore reminded those present that detailed instructions for use of the "radiovoters" for Voting the Lists were found in a specific document contained in the folder provided to all those participating at reception.

Shareholders holding proxies who intended to cast votes that varied among the shares represented overall were to go to the special voting station indicated above, called "assisted voting". 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.

Shareholders were strongly encouraged not to enter and exit the room during voting operations, to facilitate a proper attendance count.

He then declared the voting procedure open for the lists relative to the sixth item on the agenda.

The Chairman then asked voters to:

- press the button corresponding to the vote they had chosen;
- check on the screen that this choice was correct;
- press the "OK" button;
- check the screen to make sure the vote had been registered.

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 sixth item of the agenda closed and asked a staff member from the "assisted voting" station to provide the results of the vote.

He then announced the outcome of the vote given at the "assisted voting" station, 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 I** :

**LIST 1**, presented by the shareholders Municipality of Bologna, Municipality of Casalecchio di Reno, Municipality of Cesena, Municipality of Modena, Municipality of Padova, Municipality of Trieste, Municipality of Udine, Con.Ami, Holding Ferrara Servizi S.r.l., Ravenna Holding S.p.A. and Rimini Holding S.p.A., belonging to the "Voting Trust and Share Transfer Rules Agreement", received votes representing 681,905,603 shares, corresponding to 59.975289% of the share capital present.

**LIST 2**, presented by shareholders Arca Fondi S.G.R. S.p.A., manager of the fund Arca Azioni Italia; Eurizon Capital SGR S.p.A., manager of the funds: Eurizon Progetto Italia 40, Eurizon Progetto Italia 20, Eurizon Azioni Italia, Eurizon Azioni PMI Italia and Eurizon Progetto Italia 70; Eurizon Capital SA, manager of the funds: Equity Italy, Equity Small Mid Cap Italy and Equity Italy Smart Volatility; Fideuram Asset Management (Ireland), manager of the funds: Fideuram Fund Equity Italy and Fonditalia Equity Italy; Fideuram Investimenti S.p.A., manager of the fund Fideuram Italia; Interfund Sicav Interfund Equity Italy; Legal & General Assurance (Pensions Management) Limited; Mediolanum Gestione Fondi SGR S.p.A., manager of the funds: Mediolanum Flessibile Italia and Mediolanum Flessibile Sviluppo Italia; Mediolanum International Funds - challenge fund - challenge fund Italian Equity; Pioneer Investment Management SGRpa, manager of the fund Pioneer Azionario Crescita; Pioneer Asset Management SA, manager of the funds: PF Italian Equity and PF European Potential, received votes representing 270,537,161 shares, corresponding to 23.794414% of the share capital present.

**LIST 3**, presented by shareholder Gruppo Società Gas Rimini S.p.A., received votes representing 165,142,424 shares, corresponding to 14.524686% of the share capital present.

The following votes were also cast:

- 3,061,930 votes against, corresponding to 0.269304% of the ordinary shares represented;
- 16,284,006 abstentions, corresponding to 1.432219% of the ordinary shares represented;
- 46,481 non-voters, corresponding to 0.004088% of the ordinary shares represented.

At the conclusion of the voting procedure, as foreseen by Article 26 of the Articles of Association, the Chairman therefore declared that:

a) from **LIST 1**, that obtained the largest number of votes cast by the Shareholders, 2 Standing Auditors and 1 Alternate Auditor were taken, following the numerical order in which they were found in the list itself:

1. **Marianna Girolomini**, born in Riccione (RN) on 3 September 1970, domiciled in via Acquario n.19 - 47923 Rimini, tax code GRL MNN 70P43 H274K, registered in the Institute of Financial Auditors as n. 12050 with D.M. 19 April 2001, published in the Gazzetta Ufficiale n. 36 of 8 May 2001 - Standing Auditor;

2. **Antonio Gaiani** born in Bologna (BO) on 16 October 1965,

domiciled in via Lorenzetti n.11 - 40133 Bologna, tax code GNA NTN 65R16 A944R, registered in the Institute of Financial Auditors at n. 75781 with D.M. 26 May 1999, published in the Gazzetta Ufficiale appendix n. 45 on 8 June 1999 - Standing Auditor;

3. **Valeria Bortolotti** born in Bologna (BO) on 22 March 1950, domiciled in Bologna (BO), Via Cartoleria n. 26 - tax code BRT VLR 50C62 A944G, registered in the Institute of Financial Auditors at n. 7483 with D.M. 12 April 1995, published in the Gazzetta Ufficiale appendix n. 31bis on 21 April 1995 - Alternate Auditor;  
b) from **LIST 2**, 1 Standing Auditor and 1 Alternate Auditor were taken, following the numerical order in which they were found in the list itself:

1. **Myriam Amato**, born in Pavia (PV) on 19 October 1974, domiciled in Milan (MI), Via Scheiwiller n. 12, tax code MTA MRM 74R59 G388J, registered in the Institute of Financial Auditors at n. 130237 with D.M. 6 October 2003, published in the Gazzetta Ufficiale n. 81 on 17 October 2003 - Standing Auditor;

2. **Stefano Gnocchi**, born in Codogno (LO) on 18 May 1974, domiciled in Milan (MI), Via Alessandro Tadino n. 17, tax code GNC SFN 74E18 C816I, registered in the Institute of Financial Auditors at n. 177212 with D.M. 6 July 2016, published in the Gazzetta Ufficiale n. 58 on 22 July 2016 - Alternate Auditor.

He furthermore stated that the Chairmanship of the Board of Statutory Auditors, pursuant to Article 26.6 of the Articles of Association, shall go to the first candidate from LIST 2 that obtained the second highest quotient and therefore to Myriam Amato.

As foreseen by Article 25 of the Articles of Association, the Board of Statutory Auditors will remain in office for three financial years, specifically until the Meeting called to approve the financial statements for the year that closes on 31 December 2019. The Chairman took note that the appointed Auditors had pre-emptively accepted the offices conferred on them, with effectiveness deferred to the date of appointment, declaring under their own responsibility the non-existence of grounds for ineligibility or forfeiture foreseen by the law.

The Chairman noted that the discussion of the sixth item on the agenda was closed, and moved on to discuss the seventh item.

**7. Definition of remuneration for the members of the Board of Statutory Auditors: 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 during the Ordinary Part of the Shareholder's Meeting held on 23 April 2014 the remuneration for the Board of Statutory Auditors had been established, as a flat rate for each financial year, at a sum equal to Euro 280,000, of which Euro 120,000 for the Chairman and Euro 80,000 for each

standing member, in addition to reimbursement of expenses incurred and other legal obligations, the aforementioned reimbursement being understood to include the compensation due to the members of the Board who have been appointed as members of the Board of Statutory Auditors of companies whose share capital is entirely held by Hera S.p.A.

Shareholder Daniela Manca, Mayor of Imola, took the floor and, speaking on behalf of the Public Shareholders, put forward the following proposal:

"The remuneration for the Board of Statutory Auditors is defined as a flat rate for each financial year at a sum equal to Euro 280,000, of which Euro 120,000 for the Chairman and Euro 80,000 for each standing member, in addition to reimbursement of expenses incurred and other legal obligations, the aforementioned reimbursement being understood to include the compensation due to the members of the Board who have been appointed as members of the Board of Statutory Auditors of companies whose share capital is entirely held, directly or indirectly, by Hera 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.

Since there were no interested parties, he declared the floor closed to statements and moved on to the vote.

Submission of the proposed resolution

Having heard the interventions of the Shareholders, he submitted for the approval of today's Meeting the following proposal for the quantification of the remuneration to be paid to the members of the Board of Statutory Auditors:

*"The remuneration for the Board of Statutory Auditors is defined as a flat rate for each financial year at a sum equal to Euro 280,000, of which Euro 120,000 for the Chairman and Euro 80,000 for each standing member, in addition to reimbursement of expenses incurred and other legal obligations, the aforementioned reimbursement being understood to include the compensation due to the members of the Board who have been appointed as members of the Board of Statutory Auditors of companies whose share capital is entirely held, directly or indirectly, by Hera S.p.A."*

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 seventh item on the agenda.

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 seventh 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 reported, in accordance with the above-mentioned Appendix 3E to Regulation 11,971 of 14 May 1999, in the document attached hereto as **Appendix L**):

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

- 1,042,556,396 votes in favour, corresponding to 92.848750% of the ordinary shares represented;
- 29,663,301 votes against, corresponding to 2.641776% of the ordinary shares represented;
- 41,811,832 abstentions, corresponding to 3.723709% of the ordinary shares represented;
- 8,823,000 non-voters, corresponding to 0,785765% of the ordinary shares represented,

**the proposal was declared approved.**

Lastly, the President informed those present that the Company had received from the shareholder Marco Bava, holder of no. 5 (five) ordinary shares, questions pursuant to art. 127-ter of the TUF, to which the Company had given a response prior to the beginning of today's meeting, and also specified that the answers to questions nos. 40 and 42 are contained in the document attached hereto as **Appendix M**).

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

Lastly, he expressed his heartfelt thanks to all those present for participating in the Meeting.

The proceedings of the Shareholders' Meeting were then closed at 1:45 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 instrument 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

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-two sheets over eighty pages.

Signed at 1:45 p.m.

Signed Tomaso TOMMASI DI VIGNANO - FEDERICO TASSINARI