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MINUTES OF THE MEETING OF BOARD OF DIRECTORS OF HERA S.P.A.

R E P U B L I C O F I T A L Y

On the twenty-eighth day of September two thousand and sixteen,
at 2:00 p.m.

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

Appearing before me, Federico Tassinari, notary public registered
with the Order of Notaries Public of Bologna and resident in Imola,
is

- TOMMASI DI VIGNANO Tomaso, born in Brescia (BS) on 14 July 1947
and domiciled for the purposes of this document as stated
hereafter.

Said appearing party, an Italian citizen, of whose identity I,
notary public, am certain, acting here in his capacity as Chairman
of the Board of Directors of "**HERA S.p.A.**", registered office
Bologna (BO), Viale Carlo Berti Pichat n. 2/4, with fully paid-up
share capital of Euro 1,489,538,745.00 (one billion four hundred
eighty-nine million five hundred thirty-eight thousand seven
hundred forty-five point zero zero), tax code and Bologna Company
Register number 04245520376, Economic and Administrative
Repertoire number BO-363550 (hereinafter, also "**Hera**" or the
"**Company**"), requested me to draft the minutes of the meeting of
the Board of Directors of said Company, solely regarding item no.
1 on the Agenda.

Pursuant to Article 19 of the Articles of Association, said
appearing party acted as Chairman of the meeting, declaring
furthermore, following independent verification, that:

- the meeting had been regularly convened according to the
procedures contained in the Articles of Association at this
location and at this day and hour;
- the Administrative Body, consisting in the Directors listed in
the document attached hereto as Appendix **A**), was present;
- for the Board of Auditors, all auditors included in the
aforementioned list were present;
- also present was Mrs. Mila Fabbri, secretary of the Board of
Directors;
- the appearing party himself had ascertained the identity and
legitimacy of those present;
- therefore, the meeting was fully qualified and entitled to
resolve on the following

AGENDA

**1. Bond issue under the Euro Medium Term Notes (EMTN) Programme,
intended to refinance a number of financial liabilities.**

REDACTED

The Chairman, passing to the aforementioned item on the agenda,
noted in a preliminary statement that, in the absence of statutory
indications to the contrary, pursuant to Article 2410 of the
Italian Civil Code, any resolution aimed at issuing
non-convertible bonds rests upon the Board of Directors and must
appear in a report drafted by a notary.

**Registered in Imola
on 28/09/2016
n. 3824
Series 1T
euro 356,00**

For a discussion of the content of the proposal, the Chairman gave the floor to the CEO, Mr. Stefano Venier, who proceeded by illustrating a presentation entitled "Liability Management - Focus on the 2019 Bond and the 2021 Bond", which was distributed forthwith and is attached hereto as appendix **B**). He reported, on this subject, as to the proposal to authorise the issuance of a non-convertible senior unsecured bond with a maximum aggregate par value of Euro 700,000,000 (seven hundred million) (hereinafter also referred to as the "**Bond**") to be placed on the international capital market and addressed to domestic and foreign qualified investors, through a public offer (excluding the general public of retail investors and therefore being exempt from the obligation to publish a prospectus of the offer), within a deadline defined as 31 (thirty-first) December 2017 (two thousand seventeen). The issuance in question will be carried out under the Company's Euro Medium Term Notes Programme ("**EMTN Programme**"), as updated and increased to Euro 3,000,000,000 (three billion) on 13 May 2016.

The CEO furthermore noted that this proposal was intended to optimise the breakdown of the Company's medium and long term financial debt, seizing market opportunities with the aim of refinancing in advance (if so required, by way of repurchase and/or exchange) a number of bonds issued in the past by the Company and currently approaching maturity, in such a way as to lengthen the average term to maturity of the Group's financial debt. Indeed, the notes representing the Bond and/or the revenues arising from the issuance of the Bond currently in discussion would be used giving priority to the early and partial pay-off of certain financial liabilities consisting in bonds issued in the past by the Company which have not yet reached maturity, to be precise - and in order of priority - the loans represented by the notes referred to as (i) "€500,000,000 4.5 per cent. Notes due 3 December 2019" (ISIN Code: XS0471071133) (the "**2019 Notes**") and (ii) "€500,000,000 3.25 per cent. Notes due 4 October 2021" (ISIN Code: XS0976307040) (the "**2021 Notes**", referred to together with the 2019 Notes as the "**Existing Notes**"), respectively issued by the Company on 3 December 2009 and 4 October 2013 and listed on the Luxembourg Stock Exchange.

The liability management operation concerning the Existing Notes could be implemented through repurchasing (so-called tender offer), or by way of an exchange with the newly issued notes representing the Bond (so-called exchange offer) or again through a mixed offer combining repurchasing and new notes, involving if need be an intermediary (so-called intermediate offeror) to implement, dealing with a single market counterparty, the exchange of the Existing Notes involved in the repurchase with those of the new Bond.

In the event that the overall amount of the repurchases were to be lesser than the nominal amount of the newly issued Bond, the remainder, not used within the liability management operation,

will be utilised to refinance the Group's operating capital and to maintain an appropriate level of liquidity, in such a way as to meet the operational requirements of the Company and the Group. The CEO informed those present that, following preliminary consulting with the auditing firm Deloitte, the option involving an intermediate offer would be preferable, owing to the "balance-sheet continuity" deriving from the financial liabilities in question, referring in particular to the extinguishment / modification accounting described under IAS 39 (the so-called '10 per cent test').

The CEO continued, notifying those present that the Group Director of Administration, Finance and Control has already identified and discussed with a number of banks with which the Company has relations (Banca IMI, BNP Paribas, Crédit Agricole, Deutsche Bank, Mediobanca and UniCredit) the terms and conditions, including economic aspects, which would make the operation suitable to optimise the breakdown of the Company's financial debt. In particular, the newly issued Bond would have a fixed-rate coupon not exceeding 1% (one per cent) per annum / 70 bps per annum higher than reference rate for the period in question and a duration of 10 (ten) years. The economic conditions of the liability management operation, based on preliminary discussions with the aforementioned banks, foresee the payment of a premium to investors up to a maximum of 20 bps for the 2019 Notes and 22 bps for the 2021 Notes. These characteristics seem to be well-suited to the Company's requirements, notwithstanding the need to define the specific dates and the precise conditions of the issuance and repurchase/exchange so as to obtain the most efficient cost of borrowing as possible, if and when so allowed by market conditions.

The CEO furthermore indicated that BNP Paribas has been identified as the bank which, in the event of a so-called intermediate offer, would act as offeror and intermediary responsible for fully defining, in line with market practice for similar operations, the exchange of the Existing Notes involved in the repurchase and the notes representing the newly issued Bond.

The CEO continued, noting that the overall amount of the proposed issuance of Euro 700,000,000 (seven hundred million) is in line with the limit put on issuances under the Company's EMTN Programme, and is furthermore in line with the legal limits set out in Article 2412 of the Italian Civil Code, above and beyond the notes listed on regulated markets or in multilateral negotiation systems or placements reserved to professional investors subject to prudential supervision. Indeed, on the basis of the latest financial statements approved by the Company Hera S.p.A., twice the amount of the share capital, the legal reserve and the available reserves equals Euro 4,009,700,870.76 (four billion nine million seven hundred thousand eight hundred and seventy point seventy-six), while the nominal value of the bonds not listed on regulated markets or multilateral negotiation

systems already issued and still circulating equals Euro 335,268,000.00 (three hundred thirty-five million two hundred sixty-eight thousand point zero zero). No bonds emitted by other companies, guaranteed by the Company itself and not as yet reimbursed exist.

The President of the Board of Auditors intervened on this point, confirming that as of the present date the limit set on bond issuances described in Article 2412, paragraph 1, of the Italian Civil Code, had been respected.

This having been clarified, the Chairman and the Chairman of the Board of Auditors, as per the contents of Article 2412 of the Italian Civil Code, declared and guaranteed:

- that the Company had previously issued the following bonds, extant at the present date:

1) a bond with a maximum value of JPY 20,000,000,000.00 (twenty billion point zero zero), equal to approximately Euro 150,000,000.00 (one hundred fifty million point zero zero), represented by a maximum of 40.00 (forty point zero zero) notes with a nominal value of JPY 500,000,000.00 (five hundred million point zero zero) each, as per the resolution of the Board of Directors recorded in the deed drafted by notary Domenico Damascelli on 20 July 2009 no. 4157/2810, registered at Bologna 2 on 21 July 2009 n. 8783, duly recorded;

2) a non-convertible bond with a maximum value of Euro 500,000,000.00 (five hundred million point zero zero) through issuance of bonds qualified to be listed on the Luxembourg Stock Exchange, as per the resolution of the Board of Directors recorded in the deed drafted by notary Domenico Damascelli on 12 November 2009 no. 4855/3269, registered at Bologna 2 on 17 November 2009 n. 13915, duly recorded;

3) a bond with a maximum value of Euro 200,000,000 (two hundred million), as per the resolution of the Board of Directors recorded in the deed drafted by notary Federico Tassinari on 18 April 2012 n. 50136/31650, registered in Imola on 18 April 2012 n. 1057, duly recorded, to which, with a deed drafted by notary Federico Tassinari on 7 May 2012 no. 50268/31726, duly recorded, implementation was given amounting to Euro 102,500,000.00 (one hundred two million five hundred thousand point zero zero);

4) a non-convertible bond with a maximum value of Euro 750,000,000.00 (seven hundred fifty million point zero zero), through the issuance of bonds qualified to be listed on the Luxembourg Stock Exchange, as per the resolution of the Board of Directors recorded in the deed drafted by notary Federico Tassinari on 17 December 2012 no. 51601/32594, registered in Imola on 21 December 2012 no. 3469, duly recorded, of which, with a deed of implementation drafted by notary Domenico Damascelli on 22 January 2013 no. 12150/7811, duly recorded, implementation was given amounting to Euro 700,000,000.00 (seven hundred million point zero zero);

5) a bond to be implemented in one or more tranches reaching the

maximum amount of Euro 50,000,000 (fifty million), as per the resolution of the Board of Directors recorded in the deed drafted by notary Federico Tassinari on 28 February 2013 no. 51982/32862, registered in Imola on 5 March 2013 n. 608, of which, with an deed of implementation drafted by notary Federico Tassinari on 16 May 2013 no. 52469/33175, duly recorded, effective implementation was given amounting to Euro 100,000,000.00 (one hundred million point zero zero);

6) a non-convertible bond with a maximum value of Euro 500,000,000.00 (five hundred million point zero zero), through the issuance of bonds qualified to be listed, as per the resolution of the Board of Directors recorded in the deed drafted by notary Domenico Damascelli on 15 May 2013 n. 12737/8144, registered in Imola on 16 May 2013 n. 7796, duly recorded, of which, with a deed of implementation drafted by notary Federico Tassinari on 30 September 2013 n. 53159/33635, duly recorded, effective implementation was given amounting to 500,000,000.00 (five hundred million point zero zero);

7) a non-convertible bond with a maximum value of Euro 500,000,000.00 (five hundred million point zero zero), through the issuance of bonds qualified to be listed, as per the resolution of the Board of Directors recorded in the deed drafted by notary Domenico Damascelli on 18 June 2014 n. 14817/9381, registered at Bologna 1 on 19 June 2014 n. 9739, duly recorded, of which, with a deed of implementation drafted by notary Federico Tassinari on 30 June 2014 n. 54541/34556, duly recorded, effective implementation was given amounting to 500,000,000.00 (five hundred million point zero zero);

- that with the exception of the aforementioned bonds, no other bonds issued by the Company itself and not as yet reimbursed exist. The Chairman thanked the Board of Auditors and then invited the Board of Directors to resolve on the matters that had been put to its attention.

At the end of this presentation, and following an extended discussion, the Chairman announced that voting could begin.

The Board of Directors, with the express consent of each member entitled to vote, and thus unanimously,

- having considered the presentation of the CEO concerning the financial objectives pursued by the Company;

- having considered the remarks made by the CEO as to the planned framework in which the bond described during the present meeting would be issued;

- having evaluated the advantages offered by using the notes representing the Bond and/or revenues arising from the issuance of the Bond currently in discussion to the early and partial refinancing - through repurchasing (so-called tender offer), or exchange with the newly issued notes (so-called exchange offer) or a mixed offer combining repurchasing and exchange, turning if need be to an intermediary (so-called intermediate offeror) at present defined as BNP Paribas - of the financial liabilities

represented by the Existing Notes (giving priority to purchasing the 2019 Notes), in such a way as to lengthen the average term to maturity of the Group's financial debt and to maintain an appropriate level of liquidity so as to meet the operational requirements of the Company and the Group;

- having noted that the possibility of issuing bonds amounting to the figures proposed, pursuant to Article 2412 of the Italian Civil Code, subsists even when the notes are not destined to be listed on regulated markets or involve multilateral negotiation systems or placements not reserved to professional investors subject to prudential supervision; and lastly
- recognising the CEO's right to evaluate the most favourable moment to implement the issuance according to market conditions;

resolved

1) to authorise the issuance of a single-tranche non-convertible senior unsecured bond, as described in further detail above, reaching a maximum par value of Euro 700,000,000 (seven hundred million), to be implemented within 31 (thirty-first) December 2017 (two thousand seventeen) within the scope of the Company's currently existing EMTN Programme, calling for the Bond in question to be:

- placed with qualified Italian and/or foreign investors (excepting those based in the USA), and therefore exclude any methods or involved parties that may require the issuance to be subjected to regulatory indications as regards financial instrument offers to the general public;
- denominated in Euro;
- represented by notes whose minimum value is equal to at least Euro 100,000.00 (one hundred thousand point zero zero), to be issued in a dematerialised form and channelled into centralised management systems;
- listed on the regulated market of the Luxembourg Stock Exchange and/or other regulated markets or Italian or European multilateral negotiation systems;
- regulated by English law, with the exception however of the regulations for the procedures governing bondholders' meetings and the nomination of the common representative, which in any case will be subject to Italian legislation;
- given a price at the time of issuance set at par, below par or above par according to the total return offered to investors;
- given a fixed-rate coupon not more than 1% (one per cent) per annum / 70 bps per annum higher than the reference rate for the period in question;
- involve a repayment period of 10 (years) from the date of issuance;
- include the possibility of reopening the issuance by issuing additional bonds which are fungible with those previously issued, together with which they will form a single line, respecting the limit set by the maximum amount indicated above;

2) to confer a special mandate to the CEO, or, in the event of

absence or impediment, the Chairman of the Board of Directors, to concretely implement and decide as to the issuance of the Bond described under paragraph 1) above, taking into consideration the evolution of market conditions, and to define its specific characteristics, setting its value and legal and economic conditions within the limits indicated above when the issuance itself approaches, including the discretion to defer the actual issuance and subscription of the Bond resolved upon, on the basis of the current economic context, so as not to jeopardise the success of the operation;

3) to confer a special mandate to the Chairman of the Board of Directors, the CEO and the Group Director of Administration, Finance and Control, acting independently of one another and with the express authority to delegate and nominate proxies, to sign all of the contractual documentation and to implement all necessary or even only advantageous procedures involved in the actual issuance of the Bond indicated in paragraph 1) above, including the subscription of the so-called final terms that will integrate the regulations of the Bond as contained in the Base Prospectus of the EMTN Programme dated 13 May 2016 and provided with a supplement for the present meeting, and the agreements for issuance and subscription (including offsetting or exchange with previously issued securities subject to repurchasing and/or refinancing), granting special mandates to third-party intermediaries who may act in line with current practice as support to the operation (for example arrangers, dealers, book-runners, lead managers, fiscal agents, paying agents), as well as to auditors, legal consultants and rating agencies;

4) to grant a special mandate to the CEO, or, in the event of absence or impediment, the Chairman of the Board of Directors, to concretely implement and decide as to the liability management operation, putting into effect all necessary measures involved in the early and partial extinguishment of the financial liabilities represented by bonds previously issued by the Company which have not as yet matured, more precisely - in order of priority - the bonds represented by the so-called Existing Notes, i.e. the securities denominated (i) "€500,000,000 4.5 per cent. Notes due 3 December 2019" (Codice ISIN: XS0471071133) (defined above as the 2019 Notes) and (ii) "€500,000,000 3.25 per cent. Notes due 4 October 2021" (Codice ISIN: XS0976307040) (defined above as the 2021 Notes) through repurchasing (so-called tender offer), or by way of an exchange with newly issued notes representing the Bond (so-called exchange offer) or again through a mixed offer combining repurchasing and new notes, involving if need be an intermediary (so-called intermediate offeror) to implement, dealing with a single market counterparty, the exchange of the Existing Notes involved in the repurchase with those of the new Bond according to the terms and conditions described herein and make use of - in the event that the overall amount of the repurchases were to be lesser than the nominal amount

of the newly issued Bond – the remaining revenue not dedicated to the liability management operation to refinance the Group's operating capital and to maintain an appropriate level of liquidity, in such a way as to meet the operational requirements of the Company and the Group;

5) to confer a special mandate to the Chairman of the Board of Directors, the CEO and the Group Director of Administration, Finance and Control, acting independently of one another and with the express authority to delegate and nominate proxies, to sign all of the contractual documentation and to implement all necessary or even only advantageous procedures involved in completing and ensuring the success of the liability management operation described in paragraph 4) above, including but not limited to (i) subscribing with BNP Paribas or, in case the latter were not so disposed, another bank with which the Company has relations, a so-called exchange settlement agreement in case the CEO should opt for a so-called intermediate offeror, in which context BNP Paribas itself (or another bank having relations with the Company) acts as offeror and assists the Company for the purposes of the exchange; (ii) subscribing a so-called dealer manager agreement with the banks who will act as dealers for the offer (in whatsoever form it may be launched); (iii) conferring to Lucid or another service provider specialised in acting as a so-called tender agent for operations such as the one currently at hand; (iv) preparing a so-called tender offer memorandum or a so-called exchange offer memorandum, for the event in which the choice falls, respectively, on repurchasing (so-called tender offer) the Existing Notes, or on an exchange of the Existing Notes with the newly issued securities representing the Bond (so-called exchange offer); (v) granting specific mandates to the auditors, legal consultants and any further technical counterparties that may become useful or necessary within the context of the liability management operation; (vi) taking any prior or conclusive informational measures concerning the operation in discussion; and (vii) extinguishing and annulling the financial liabilities represented by the 2019 Notes and the 2021 Notes subject to repurchasing/exchange;

6) to authorise the CEO, or, in the event of absence or impediment, the Chairman of the Board of Directors, in light of their power to defer the actual subscription of the Bond defined by the present resolution, to request that the validity of the current resolution be temporarily suspended, in the event that in the following days the market conditions necessary to proceed with the operation at hand do not subsist;

7) to ensure as of present – in order to guarantee both the pursuit of the objective described above and compliance with the regulatory provisions that require the notary, having verified that the conditions provided for by law have been fulfilled, to proceed by recording the present Board resolution at the appropriate Company Register within a maximum of thirty days

following the adoption of this resolution - that the same executing notary, having been informed of the eventuality of a request for suspension, be legitimised and at the same time obliged to abstain from requesting that the present Board resolution be registered, and furthermore be authorised to proceed in depositing the Board resolution, along with the copy of the request for postponement, only after, without prejudice to the Board of Directors' power to intervene at any time with an autonomous resolution, which may also amend the resolution at hand, the CEO of the Company, or, in the event of absence or impediment, the Chairman of the Board of Directors, acting on the powers conferred on them by the present Board resolution, and furthermore acting as managing director pursuant to the conjoint provisions of Articles 2410 and 2381 of the Italian Civil Code, has declared in a notary deed their intention to give effect to this resolution, which in any case must be implemented within 31 (thirty-first) December 2017 (two thousand seventeen), having validity as a formal act of issuance of the Bond/s in question, whose content may be defined *per relationem* with the present Board resolution.

Nothing further remaining to be resolved and no requests for the floor having been presented, the Chairman declared the discussion of this item to be closed at 2.25 p.m.

The appearing party, under his own responsibility, aware of the significance of his actions under criminal law pursuant to Article 55 of Legislative Decree 231/2007, declared:
- that he was aware that the information and other data supplied during the preliminary investigation and execution of this deed would be used by the executing notary for the purposes of meeting the requirements laid down by the aforementioned Legislative Decree;

- that said 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 of reading the attached documentation.

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

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

Signed at 14.25.

Signed by Tomaso Tommasi Di Vignano - FEDERICO TASSINARI