

Index No. 14060

Folder No. 7438

Minutes of the Board of Directors

REPUBLIC OF ITALY

In the year 2017 (two thousand and seventeen)
on the 23 (twenty-third) day
of the month of October
at 11.40 (forty past eleven)

In Milan, via Carlo Bo 11.

Before me, Carlo Marchetti, a member of the Board of Notaries of Milan, appeared Mr:

- BINI SMAGHI Lorenzo, born in Florence on 29 November 1956, domiciled for the purpose of his office in Milan, Via Carlo Bo 11, whose personal identity I, as Notary, am certain of, who in his capacity as Chairman of the Board of Directors and, as such, in the interests of the joint stock company named:

"Italgas S.p.A."

with registered offices at Via Carlo Bo no. 11, Milan, share capital 1,001,231,518.44 euros, fully paid in, tax code and Milan Business Register no. 09540420966, registered in the Economic and Administrative Register of Milan under no. 2097057,

asked me to record, as regards the fifth point on the agenda for the meeting of the Board of Directors convened on this day and in this place to discuss and resolve on the following:

agenda

(omissis)

5. Bond Issues (EMTN Programme). Necessary and consequent resolutions

(omissis)

I am complying with the request made to me and I record that the Board (having already debated the aforementioned Agenda items, which are the subject of separate Minutes) was held, with regards to the debate on item five on the agenda, proceeded as follows. Pursuant to the Company Bylaws, the Appearing Party took the chair, in his aforesaid capacity, and once again noted and acknowledged that:

- the meeting had been called with a notice sent on 18 October 2017, through publication in the "Secure Area" to all entitled parties pursuant to article 15 of the Company Bylaws;

- in addition to the appearing party, the following Directors were present: P. GALLO, N. BEDIN, M. DAINELLI (connected via teleconferencing in accordance with the Company Bylaws), C. FARISE', F. LOLLI, Y. HE, F. MOSA, P.A. PETRONE, and the Statutory Auditors: G. P. BALDUCCI (connected via teleconferencing in accordance with the Company Bylaws), G. GENTA and L. ZANETTI.

The Chairman then again declared that the meeting was properly constituted and entitled to resolve on the fifth item on the agenda. The Chairman moved on to debate the above and reminded those present that Art. 2410 of the Italian Civil Code grants to the administrative body - unless otherwise provided for in the Company Bylaws - power to issue non-convertible bonds. Furthermore, art. 2412 of the Italian Civil Code: (i) provides that bonds may be issued for a total sum that does not exceed double the share capital, legal reserve and available reserves as stated in the last financial statements approved, and (ii) acknowledges that this limit may be exceeded if the bonds issued in excess are intended for subscription by professional investors subject to prudential supervision under special laws and (iii) subsection 5 of art. 2412 of the Italian Civil Code provides that these limits do not apply to the issue of bonds destined to be listed on regulated markets or in multilateral trading systems, or of bonds that give an entitlement to purchase or subscribe shares.

The Chairman therefore firstly reported that the issue of non-convertible bonds (*EMTN Programme*), resolved by the Board of Directors of the Company on 18 October 2016 (as set out in the minutes of the same date reg.no. 13365/Binder 7015 of Milan Notary Carlo Marchetti, registered at the Milan 1 Agenzia delle Entrate on 3 November 2016, no. 36790, series 1T), of the maximum total nominal amount of 2.800 million euros, is about to expire on 31 October 2017.

The Chairman pointed out that under this EMTN Programme non-convertible bonds for total of nominal 2,650 million euros had been issued, all listed on the Luxembourg Stock Exchange, with the following characteristics:

(i) 750 million euros at a fixed rate, annual coupon of 0.5%, issue date 19 January 2017 and maturity date 19 January 2022;

(ii) 750 million euros at a fixed rate, annual coupon of 1.625%, issue date 19 January 2017 and maturity date 19 January 2027;

(iii) 650 million euros at a fixed rate, annual coupon of 1.125%, issue date 14 March 2017 and maturity date 14 March 2024;

(iv) 500 million euros at a fixed rate, annual coupon of 1.625%, issue date 18 September 2017 and maturity date 18 January 2029.

In order to address the Company's funding needs as provided for in Italgas' Strategic Plan through the issue of bonds, the Chairman outlined the proposal to **renew the EMTN Programme**, increasing the amount from the current nominal amount of 2,800 million euros up to a maximum nominal amount of 3,500 million euros, and to authorise the issue of one or more bonds intended for subscription exclusively by professional investors subject to prudential

supervision under special laws in accordance with the terms and arrangements of the Programme, it being understood that, if the bonds are not destined to be listed in one or more regulated markets, subsection two of art. 2412 of the Italian Civil Code shall apply.

The Chairman, therefore, highlighted how this transaction would enable Italgas to: (i) support the development programmes of the Company; (ii) pursue an adequate balance between sources of funding from banks and securities; (iii) maintain a financial structure that would be balanced in terms of the ratio of short and medium-long term debt and the ratio between fixed rate and floating rate debt, and (iv) continue to acquire financial resources at competitive costs.

The Chairman, in light of the above, thus proposed authorising the renewal and increase of the amount of the EMTN Programme for the reasons given above and, therefore, that the issue of one or more non-convertible bonds be authorised, each to be issued in one or more tranches, within a period of one year from 1 November 2017 (it being understood that, up until the approval of a new base prospectus, on the basis of current regulations, the issue may occur within the limits of compatibility with the base prospectus already approved) and, therefore, until the deadline of 31 October 2018, for a maximum total countervalue of the EMTN Programme of nominal 3,500 million euros. All the bonds will be placed with professional investors subject to prudential supervision under special laws in accordance with the terms and arrangements of the EMTN Programme, it being understood that, if the bonds are not destined to be listed in one or more regulated markets, subsection two of art. 2412 of the Italian Civil Code shall apply.

The bonds will be regulated by English law and may, but not necessarily must, be destined to be listed in one or more regulated markets.

The Chairman therefore summarised the characteristics of the operation:

- articulation: also in several operations, each divisible also into more *tranches*;
- subscribers: professional investors subject to prudential supervision under special laws in accordance with the terms and arrangements of the Programme;
- duration: the duration of the single issues and *tranches* will be based on the market conditions in force at the time of issue and in any event no longer than 50 years, including the right of early redemption;
- issue currency: euros or other currency;

- units: a minimum of 100,000.00 euros, corresponding to the nominal value (or equivalent if in another currency);
- issue price: the issue price, which may be different for each single emission or tranche, will be set according to the overall yield offered to subscribers at the market conditions in force at the time of the issues and in any event no less than 90% and no more than 110% of the nominal value of the bonds;
- interest rate: the interest rate, which may be different for each of the single issues or tranches, shall be fixed (Fixed Rate Notes), no more than 4.5%, or variable (Floating Rate Notes), no more than the reference rate (as defined in the Programme, purely as an example, among others, the EURIBOR) increased by a margin aligned with the market conditions in force at the time of issue, it being in any event understood that the maximum margin, where applicable, shall be 2.5%;
- applicable law: English law;
- listing: the bonds may, but must not necessarily, be listed on one or more regulated markets;
- redemption: in a single solution upon maturity or in several tranches of equal amounts, without prejudice to the issuer's right to proceed to early redemption with notice; all according to the terms and conditions contained in the bond itself;
- placement commissions: no more than 1% of the nominal value of the issues and in any event aligned with the market conditions in force at the time.

In reiterating that the final term for the issue of the bonds is one year from 01 November 2017 to 31 October 2018, the Chairman pointed out how upon maturity the EMTN Programme may be renewed, and in that case, the subsequent appropriate resolutions would again be submitted to the Board.

The Chairman recalled that there are no impediments for the issue of the non-convertible bond to which the day's proposal referred in the terms and limits set out above.

The Chairman of the Board of Statutory Auditors interjected and, on behalf of the whole Board of Statutory Auditors and pursuant to article 2412, subsection one, of the Italian Civil Code, attested that the proposed bond issue respects the limits set out in article 2412 of the Italian Civil Code, as the bonds will be placed with professional investors subject to prudential supervision under special laws in accordance with the terms and arrangements of the EMTN Programme, and, if the bonds are not destined to be listed in one or more regulated markets, subsection two of art. 2412 of the Italian Civil Code shall apply.

Therefore, the Board of Directors:

-having noted the law on the subject of the issuance of bonds set out in articles 2410 and 2412 of the Italian Civil Code;
-having noted the bonds currently in existence;
-having heard the Chairman's report;
-subject to the fulfilment of all obligations and the respect of all conditions prescribed in the applicable regulations, and with the commitment to report to the Board on the state of execution of the operations set out above:

unanimously resolved

Firstly

1.) to approve the renewal and increase of the amount of the EMTN Programme starting from 1 (one) November 2017 (two thousand and seventeen) up until the expiry on 31 (thirty-one) October 2018 (two thousand eighteen) and to authorise the issue, of one or more non-convertible bonds, each to be issued in one or more *tranches*, for a maximum total countervalue of the EMTN Programme of nominal 3,500,000,000 (three billion five hundred million) euros, with the characteristics summarised hereto:

- articulation: also in several operations, each divisible also into more *tranches*;
- subscribers: professional investors subject to prudential supervision under special laws in accordance with the terms and arrangements of the Programme, it being understood that, if the bonds are not destined to be listed in one or more regulated markets, subsection two of art. 2412 of the Italian Civil Code shall apply to them.
- duration: the duration of the single issues and *tranches* will be based on the market conditions in force at the time of issue and in any event no longer than 50 (fifty) years, including the right of early redemption;
- issue currency: euros or other currency;
- units: a minimum of 100,000 (one hundred thousand) euros, corresponding to the nominal value (or equivalent if in another currency);
- issue price: the issue price, which may be different for each single emission or *tranche*, will be set according to the overall yield offered to subscribers at the market conditions in force at the time of the issues and in any event no less than 90% (ninety per cent) and no more than 110% (one hundred and ten per cent) of the nominal value of the bonds;
- interest rate: the interest rate, which may be different for each of the single issues or *tranches*, shall be fixed (Fixed Rate Notes), no more than 4.5% (four point five per cent), or variable (Floating Rate Notes), no more than the reference rate (as defined in the

Programme, purely as an example, among others, the EURIBOR) increased by a margin aligned with the market conditions in force at the time of issue, it being in any event understood that the maximum margin, where applicable, shall be 2.5% (two point five per cent);

- applicable law: English law;
- listing: the bonds may, but must not necessarily, be listed on one or more regulated markets;
- redemption: in a single solution upon maturity or in several tranches of equal amounts, without prejudice to the issuer's right to proceed to early redemption with notice; all according to the terms and conditions contained in the bond itself;
- placement commissions: no more than 1% (one percent) of the nominal value of the issues and, in any event, aligned with the market conditions in force at the time.

Secondly

2.) to confer a mandate on the Chief Executive Officer, Paolo Gallo, the General Manager of Finance and Services, Antonio Paccioretti, and the Head of Finance, Gianfranco Amoroso, separately, with the right to issue submandates, to implement the resolution described above with all the widest and most suitable powers in this regard, including, by way of example, those to:

- determine, within the maximum limits resolved, the amount of the single issues or tranches, establishing, always within the resolved limits, the period to maturity, issue price, interest rate and arrangements for paying interest, and any issue variance or redemption premium;
- determine, within the limits resolved above, the conditions of the single issues or tranches, negotiating and defining the regulations for each;
- proceed to place the bonds, as well as, where deemed appropriate, their listing on one or more regulated markets, signing all trades and agreements for this purpose, including with intermediaries and agents;
- confer, moreover, the power to proceed with any transactions to buy back bonds issued after the renewal of the EMTN Programme subject of this resolution, and/or bonds that have already been issued, determining the conditions, including the issuing of bonds fully or partially destined to act as payment for the bonds subject to buyback, as well as to proceed with all trades and agreements for this purpose, including with intermediaries and agents;
- with regard to that defined above, to proceed to fulfil all formalities or obligations, none excluded and even information-related, with intermediaries and agents and all

competent authorities, Italian or foreign, connected with the approval of the EMTN Programme, each bond issue made within its scope, its placement and its possible listing, as well as any buyback transactions, also in terms of the publication of documents (including, but not limited to, fulfilling obligations connected with the definition and publication of the listing prospectus for the bonds being issued);

- in general, accomplish everything needed, useful or opportune for the success of the initiative, including completing the necessary formalities for these resolutions to be registered in the Business Register, with the right to make any changes, corrections or additions to said entries that might be advisable and/or requested by the competent Authorities, including during registration in the Business Register.

The Chairman, at this point, having addressed the fifth item on the agenda, continued the consideration of the remaining points, as minuted separately.

It is 11.50 (fifty past eleven).

I have read this document to the appearing party who approves it and signs it with me at 11.52 a.m.

It consists of four sheets typed by people I trust and completed by my own hand for thirteen pages and the fourteenth up until here
Signed Lorenzo Bini Smaghi

Signed Carlo Marchetti - Notary