

**Minutes of the ordinary shareholders' meeting
of Italgas S.p.A. on 4 April 2019**

The Ordinary Shareholders' Meeting of **Italgas S.p.A.** began at 10:30 a.m. on 4 April 2019, at Spazio Edit in Milan, Via Pietro Maroncelli n. 14.

In accordance with Article 11.2 of the Bylaws, Lorenzo Bini Smaghi took the chair, in his capacity as Chairman of the Board of Directors, who, with the unanimous consent of the shareholders' meeting, called the notary Carlo Marchetti to act as secretary, to whom he asked, again with the consent of those in attendance, that the information necessary for the meeting be provided.

Therefore the **Secretary**:

- informed those present that an electronic voting system using a remote device had been adopted for the day's Shareholders' Meeting, with the intention of reducing the time taken for the counting operations. In the case of any technical problems in relation to voting using the remote device, voting would be carried out by a show of hands;
- supplied, also by means of a brief explanatory film, the information necessary for the correct use of the remote control, indicating the following additional instructions: *“When asked to proceed to vote, with the exception of voting on item 4.2 in relation to the appointment of the Board of Directors and item 5.1 in relation to the appointment of the Board of Statutory Auditors, the entitled person or their proxy should cast their vote by pressing just one of the buttons on the Radiovoter®, respectively labelled “IN FAVOUR” in green, “AGAINST” in red or “ABSTAIN” in yellow, and then immediately press the “OK” button. Until this last button has been pressed, the voter can change his or her vote, and the vote cast will remain visible on the display until each voting session has ended. Whereas, as regards the slate voting to renew the Board of Directors linked to item 4.2, Shareholders are invited to demonstrate their preference for one of the slates submitted by pressing button “1” on the Radiovoter® if their preference is for the slate submitted by CDP Reti S.p.A. and Snam S.p.A. indicated as number 1, or button “2” if their preference is for the slate submitted by Institutional Investors indicated as number 2. Similarly, as regards the slate voting to renew the Board of Statutory Auditors related to item 5.1, Shareholders are invited to demonstrate their preference for one of the slates submitted by pressing button “1” on the Radiovoter® if their preference is for the slate submitted by CDP Reti S.p.A. indicated as number 1, or button “2” if their preference is for the slate submitted by Institutional Investors indicated as number 2. In these votes, therefore, the green “IN FAVOUR” button should not be used. Without prejudice, in this*

case, to the use of the red “AGAINST” button or the yellow “ABSTAIN” button to cast a vote, respectively, against or to abstain with respect to all the slates presented. After the vote has been cast, remember to press the “OK” button. Until this last button has been pressed, the voter can change his or her vote; once the vote has been cast it will be recorded. Those who do not cast any vote will be considered as non-voters. Votes may be cast within 1 minute of the start of each voting session; after this period of time voting will be declared to have closed”;

- also recalled that the representatives of several shareholders or trusts who intend to cast differentiated votes based on the proxies received must necessarily go to the assisted voting station;

- stated that, in accordance with the current provisions, the call notice for the Meeting was published, in full, on the Company website on 22 February 2019, and on 23 February 2019 a summary was published in the newspapers Il Sole 24 Ore and Financial Times.

The agenda is as follows:

1. *Financial statements of Italgas S.p.A. as at 31 December 2018, Consolidated financial statements as at 31 December 2018, Reports by the Directors, the Board of Statutory Auditors and the Independent Auditing Firm. Non-Financial Statement. Required and consequent resolutions.*
2. *Allocation of the profits for the year and distribution of the dividend.*
3. *Policy on compensation pursuant to article 123-ter of legislative decree no. 58 of 24 February 1998.*
4. *Appointment of the Board of Directors.*
 - 4.1 *Determination of the term of office of Directors.*
 - 4.2 *Appointment of the members of the Board of Directors.*
 - 4.3 *Appointment of the Chairman of the Board of Directors.*
 - 4.4 *Determination of the remuneration of the members of the Board of Directors.*
5. *Appointment of the Board of Statutory Auditors.*
 - 5.1 *Appointment of the members of the Board of Statutory Auditors.*
 - 5.2 *Appointment of the Chairman of the Board of Statutory Auditors.*
 - 5.3 *Determination of the remuneration of the Chairman and the members of the Board of Statutory Auditors.*

- reported that, in addition to the Chairman, the Directors Paolo Gallo (Chief Executive Officer), Nicola Bedin, Yunpeng He and Paola Annamaria Petrone were in attendance; Maurizio Dainelli, Paolo Mosa, Cinzia Farisè and Federica Lolli had justified their absence; the Chairman of the Board of Statutory Auditors Gian Piero Balducci and the Standing Auditors Giandomenico Genta and Laura Zanetti were present;

- declared that share capital is 1,001,231,518.44 euros, divided into 809,135,502 ordinary shares without par value;

- declared that at present the shares in attendance numbered **633,218,591**, representing **78.258659%** of the voting capital;

- stated that, pursuant to art. 13-bis of (EU) Regulation no. 679/2016 on the protection and free circulation of the personal data of natural persons, the personal data (name, surname, place of birth, residence and professional qualifications) of the participants at the Shareholders' Meeting were processed by Italgas S.p.A. – as Data Controller - in the forms and within the limits connected to the obligations, tasks and purposes set out in current law, as specified in the information notice given to those in attendance;
- pointed out that the list of names of those entitled to attend the meeting, on their own account or as proxies, indicating the number of shares held by each, and the delegating shareholder if appropriate, is available to those present at the meeting and, accompanied by a list of the names of any persons who arrived after or left before each vote indicating the number of shares held by each, would be annexed to the minutes of the Shareholders' Meeting. Before each vote, the number of participants in the voting procedure doing so on their own account, or through proxies, will be communicated; after each vote, its outcome will be announced;
- informed those present that, as recommended by CONSOB, financial analysts, journalists and qualified experts would be enabled to follow the proceedings of the Shareholders' Meeting;
- also informed attendees that pursuant to art. 5.2 of the Regulations for the Meetings of the Shareholders of Italgas S.p.A, the Chairman's Office has been established, where Alessio Minutoli, secretary of the Board of Directors, would be located, assisted by Federica Chiariello;
- pointed out:
 - that a system for the audio-visual recording of the proceedings is in operation in the room, solely for the purposes of assisting the preparation of the minutes,
 - that the recording will be available, with a five minute delay, with your permission, on the Company website,
 - that pursuant to art. 4 of the Regulations for the Meetings of the shareholders, no recording devices other than those stated, nor photographic or similar equipment of any kind, could be used in the premises in which the Shareholders' Meeting was taking place,
 - that simultaneous translation from Italian to English is available (the headsets and transmitters for the translation are available at reception);
- recalled that pursuant to art. 7 of the mentioned Regulations of Shareholders' Meetings:
 - requests to speak may be submitted to the Chairman's Office from the moment the Shareholders' Meeting is constituted until the moment debate has been declared open;
 - as per the Shareholders' Meeting Regulations, the Chairman has established the maximum length of each speech as five minutes during the discussions that will be held jointly for all the items on the agenda of the ordinary session and for all the items on the agenda of the extraordinary

session. The votes will then be cast separately for the different items on the agenda; this allows all those entitled to speak and express their opinion a reasonable time to do so and at the same time it maintains the duration of the Shareholders' Meeting within appropriate limits out of respect for all those present;

➤ response speeches were not permitted and, after debate had closed, only short declarations of voting intention were permitted, henceforth indicated by the Chairman to have a total duration of two minutes per subject, and he reserved the right to decide on any specific requests at the time;

- the following was emphasised:

➤ If amendments to the resolutions formulated by the Board are proposed, or otherwise resolutions other than those formulated by the Board, the Board's resolution will be voted on first, and only if this resolution is rejected will the further resolutions be put to the vote.

➤ Similarly, if points of order should be presented that have not been scheduled for discussion, if the Chairman should decide to put them to a vote, any proposals formulated by the Chairman will be voted on first, and only if these are rejected will the proposals of the attendees be put to the vote.

➤ The proposals of the attendees will be put to the vote starting with the proposal presented by those who represent the highest percentage of capital. Only if the proposal put to the vote should be rejected, the next proposal, in order of capital represented, would be put to the vote;

➤ Without prejudice to the bylaw provisions on the election of the corporate bodies by means of slate voting;

- informed attendees that, regarding the day's Shareholders' Meeting, the requirements of the statutory legislation and of the regulations on regulated markets had been complied with.

Therefore the **Chairman** declared today's Shareholders' Meeting validly constituted and entitled to resolve on the topics listed on the agenda and stated:

➤ that the Company has received no requests for the agenda to be supplemented or new proposals of resolutions, pursuant to the law and to art. 126-*bis* of the Consolidated Law on Financial Intermediation (CLF);

➤ that the entitlement to vote of those present has been verified, based on the circumstances known to the Company and the declarations made by those present. He asked those present, in any event, to report any deficiencies in entitlements to vote or exclusion from voting, or the existence of any shareholders' agreements, pursuant to the law, current regulations and Bylaws. This in relation to all votes.

At the request of the **Chairman**, and with the unanimous consent of those in attendance, the **Secretary** then provided the following additional information preparatory to the execution of the works of today's Shareholders' Meeting:

- according to the information in the shareholder register on 3 April 2019 and from information received, those shareholders in possession, directly or indirectly, of shares with voting rights that represented over 3% of the total shares issued were:

RELEVANT SHAREHOLDERS			
Declarant	Direct shareholder	% Proportion of ordinary capital	% Proportion of voting capital
CDP	CDP Reti	26.05	26.05
	Total	26.05	26.05
Snam	Snam	13.50	13.50
Lazard Asset Management LLC	Lazard Asset Management LLC	8.71	8.71
Romano Minozzi	Granitifiandre S.p.A.	0.03	0.03
	Finanziaria Ceramica Castellarano S.p.A.	0.23	0.23
	Iris Ceramica Group S.p.A.	1.89	1.89
	Romano Minozzi	2.15	2.15
	Total	4.29	4.29
Blackrock Inc.	Blackrock Inc.	4.16	4.16

- the Company is aware of the shareholders' agreement signed on 20 October 2016 between CDP Reti S.p.A. and Snam S.p.A., concerning all the shares that each of them would come to hold in

Italgas S.p.A., as a result and effective as of the date the partial and proportional demerger of Snam in favour of Italgas came into force and the simultaneous admission of Italgas shares to listing. The Agreement, which came into force on 7 November 2016, governs, inter alia: (i) the exercise of voting rights attached to the syndicated shares; (ii) the creation of a consultation committee; (iii) the obligations and arrangements for submitting a joint slate for the appointment of the members of the Board of Directors of the Company; and (iv) some restrictions on the sale and purchase of Italgas shares. Consob was informed of this agreement pursuant to art. 122 of Legislative Decree no. 58 of 24 February 1998 and published, pursuant to law, on the Company's website (investors/shares-and-ownership-structure/shareholders-agreements section);

- regarding the questions formulated during the Shareholders' Meeting, the procedure would be: answers would be given after the conclusion of all the speeches on the items on the agenda and after any short pause needed to prepare the responses in a systematic way. At the end of the responses, the proposals on the agenda items would be put to the vote;

- regarding the right to put questions pursuant to art. 127-ter of Legislative Decree no. 58 of 1998 (referred to as CLF), some questions were received; the questions and the relative answers given by the Company were published on the Company's website and **are annexed to these minutes under letter A;**

- pursuant to the law, the company had appointed Georgeson S.r.l., represented here by Alberto D'Arma, as the subject ("*Representative*") on whom those entitled may confer a proxy with voting instructions on all or some of the proposals on the agenda; no proxies were conferred on the Representative.

The **Chairman** therefore declared the meeting open. Before proceeding to debate the agenda:

- he informed those present that the Reports by the Board of Directors containing the proposed resolutions had been filed at the Company's registered office, on the authorised storage mechanism *emarketstorage* at the address *www.emarketstorage.com* and published on the Company's website according to law and sent to all those who had so requested; the printed document containing the aforementioned Reports, and the 2018 Annual Financial Report, the 2019 Compensation Report, the 2018 Report on Corporate Governance and Ownership Structure, and the 2018 Non-Financial Statement were also distributed at the entrance to the meeting room;

- he also informed those present that in relation to the election of the corporate bodies, the Guidance of the Board of Directors of Italgas S.p.A. to the Shareholders on the future dimension and composition of the new Board of Directors and the slates submitted, together with the documentation required by law and the bylaws, were filed at the Company's registered office, on the

authorised storage mechanism *emarketstorage* at the address *www.emarketstorage.com* and published on the Company's website according to law. A copy of the Guidelines and a copy of each slate of candidates, again in a printed document, were also distributed at the entrance to the meeting room;

- with the consent of the shareholders' meeting, in consideration of the nature of the items on the agenda, he moved on to the joint discussion of items 1) and 2), pointing out that the voting will be held separately for each item on the agenda.

At the request of the **Chairman**, and with the unanimous consent of those in attendance, the **Secretary** then provided the following information on items 1) and 2) of the agenda of the Shareholders' Meeting (**1. Financial statements of Italgas S.p.A. as at 31 December 2018, Consolidated financial statements as at 31 December 2018, Reports by the Directors, the Board of Statutory Auditors and the Independent Auditing Firm. Non-Financial Statement. Required and consequent resolutions and 2. Allocation of the profits for the year and distribution of the dividend**), regarding in particular the obligations fulfilled with respect to the financial statement documentation and the activities of the Independent Auditing Firm:

- he reported that the document containing the Financial Statements of Italgas S.p.A. as at 31 December 2018, the consolidated financial statements, the Directors' report on operations and the report of the Board of Statutory Auditors and of the Independent Auditing Firm, the non-financial statement, as well as the proposals of the Board of Directors to the Shareholders' Meeting regarding the approval of the financial statements and the distribution of the dividend has been filed at the registered offices of the company, on the authorised storage mechanism *emarketstorage* at the address *www.emarketstorage.com* and published on the Company website on 11 March 2019. It was also recalled that the financial statement booklet was delivered to you at the entrance to the meeting room and has been sent to those who requested it;

- informed those present, pursuant to Consob Decision no. 96003558 of 18 April 1996, that independent auditing firm PWC S.p.A. has employed 485 hours for a fee of 34,500 euros for the independent audit of the financial statements and for periodic audits, 965 hours for a fee of 55,500 euros for auditing the consolidated financial statements.

The **Chairman** then made reference, for the general considerations of the Board of Directors on the financial year 2018, to the letter to Shareholders and Stakeholders, reproduced below:

“Dear Shareholders and Stakeholders,

2018 was an eventful year for Italgas: we wish to share the Company's "journey" with you, from the listing in 2016 up to the present day, the conclusion of the first cycle of corporate management. Italgas embarked on an important growth and consolidation process through which, over the last two years, it has increased its presence in various regions, in particular in South Italy and Sardinia. Through the M&A transactions carried out in 2018, Italgas acquired new gas distribution networks for a value of approximately 215 million euros (enterprise value), expanding its portfolio by 110 thousand re-delivery points. Moreover, it acquired one of the most active Energy Service Companies, making its entry into the energy efficiency sector.

Since the listing in 2016 up until 2018 the Company made investments and acquisitions for over 1.3 billion euros, strengthening its leadership position in Italy, with a market share exceeding 34% (7.5 million re-delivery points), and its role as third operator in Europe. Thanks to the investments made, the RAB (Regulatory Asset Base) went from 5.7 billion euros at the end of 2016 to almost 6.2 billion euros at the end of 2018.

A significant share of the investments in the three-year period 2016-2018 (500 million euros) were made in innovation and the digitisation of the network: today almost 5 million¹ smart meters have been installed (59.1% of our fleet) and in 2018 alone we installed 1.8 million (including the investee companies), with the aim of completing the replacement of all traditional meters by early 2020 (with respect to 85% by 31/12/2020 set by ARERA). The digitised network – smart meters and widespread sensors – will allow us to measure and monitor gas consumption more accurately, prevent faults and leaks and manage the maintenance work on a predictive basis, thereby improving the efficiency and quality of the service.

The digital transformation involves the entire Company and not just the network: in 2018 we launched and completed the Go2Cloud Project with the migration to the Cloud platform of applications, all the users and the information services of the Group. The main benefits deriving from the choice of the public Cloud are infrastructural flexibility, open innovation and cost optimisation, as well as enabling factors for a real digital transformation. The Digital Factory was launched in November 2018. It is a genuine factory of innovation where people work in multi-functional teams developing new "proprietary" IT solutions to simplify and digitise company processes.

The economics

In line with the 2018-2024 Plan, in 2018 the Company made investments, for the second consecutive year, of over 500 million euros and despite the acquisitions made (215 million euros) and the dividends paid (168 million euros), the net financial position at the end of 2018 was

¹ Considering the investee companies.

roughly 3.8 billion euros with a slight increase (approximately 90 million euros) with respect to 2017. Thanks to the bond issues made, the last of which was in January 2018, a fixed-rate percentage of 85.6% of the total net debt has been recorded.

Careful operational management led to a 3% cost reduction with respect to 2017 and 19% with respect to 2016, despite the significant expansion of the scope of activities, while the net profit increased by 7.1% (compared to 2017) to 313.7 million euros.

The positive results achieved in the period, with an Earning per Share of 0.390, mean that, thanks to the application of the new dividend policy announced last year, we can propose the distribution of a dividend of 0.234 euro cents per share, up by 12.5% compared to the dividend distributed in 2018.

Sustainable development and proximity to the territory

Doing business means not only achieving the economic and financial results but also acting responsibly towards one's shareholders and stakeholders, the context, the environment and the communities the company operates in: Italgas created its own Sustainability Plan in line with the guiding principles of the Business Plan, which incorporates the challenges of the Sustainable Development Goals (SDGs) promoted by the United Nations.

It involves many different actions: attention to the environment, commitment to the territory, development of its human capital, legality and transparency in daily operations.

Italgas was once again, in 2018, included in the series of FTSE4Good indexes, the DJSI World Enlarged index and it was identified by the CDP (Carbon Disclosure Project) as one of the best companies at international level for the strategies and actions put in place to fight climate change, obtaining two further acknowledgements: for the first time it was included in the ECPI Euro ESG Equity and ECPI World ESG Equity indexes (assessment EE) and it improved its assessment level (from A to AA) in the MSCI indexes, not forgetting the "anti-corruption" certification UNI ISO 37001:2016 obtained as a result of a complex process.

Since its listing up to the present day, Italgas has not stopped: thanks to the work and energy of all our people and the support of those who have believed and invested in the business, the Company has consolidated, transformed and grown and is ready to tackle new challenges.

We extend our most heartfelt thanks to you who place your trust in Italgas and to all our men and women who strive on a daily basis to take the Company forward".

The **Chairman** expressed particular thanks to the members of the Board of Directors and of the Board of Statutory Auditors, the shareholders, all the staff and the management, as well as all

parties involved, including the sector authorities: everyone has played a part in contributing to the success of the company in recent years.

The **Chief Executive Officer, Paolo Gallo**, then outlined the main consolidated results for 2018, by explaining and commenting on the slides **annexed to these minutes under the letter B**.

At the end, **Gian Piero Balducci, Chairman of the Board of Statutory Auditors**, read out the conclusion to the Report of the Board of Statutory Auditors to the Shareholders' Meeting, reproduced below:

“In expressing an overall positive opinion based on the results of the supervisory activities carried out, the Board of Statutory Auditors was therefore of the view that the financial statements of ITALGAS S.p.A. for the year ended 31/12/2018 deserve your approval, together with the proposal to allocate the net result for the year of 193,744,904.= euros, as formulated by the Board of Directors at the end of the 2018 annual financial report and specifically: (i) 189,337,707.47.= euros to a dividend, in the amount of 0.234.= euros per share to the shares in circulation on the coupon payment date, and (ii) to retained earnings for the remaining amount of 4,407,196.29.= euros.

Given that, due to the end of the term of office conferred at the time, both the Board of Directors and the Board of Statutory Auditors will cease to hold office on the date of the Shareholders' Meeting called to approve the company's financial statements for the year ended 31/12/2018, you are reminded that you will be required to resolve on the renewal of the company offices.

In this respect, as regards the Statutory Auditors, we have prepared both self-assessment questionnaires and, in particular, a summary information notice on the activities we have carried out over the three-year period.”

Mr **Balducci** then expressed his heartfelt thanks to the Chairman for the authority and competence with which he had led the Board meetings, as well as the Chief Executive Officer, the General Manager, colleagues on the Board of Statutory Auditors, the auditor, and all senior executives of the Company.

Mr Grandi, Partner in EY S.p.A., read out the conclusive part of the Report of the Independent Auditing Firm on the financial statements, as reproduced below:

“We have performed the audit of the annual financial statements of Italgas S.p.A. (the Company), made up of the financial position at 31 December 2018, the income statement, the statement of

comprehensive income, the statement of changes to the net equity items, the cash flow statement for the year ended on that date and the notes to the financial statements which also include a summary of the most significant accounting standards applied.

In our opinion, the financial statements provide a truthful and correct representation of the consolidated financial position of the Company at 31 December 2018, and the profit and loss and cash flows for the fiscal year that ended on that date, comply with the International Financial Reporting Standards adopted by the European Union, as well as with the instructions issued implementing article 9 of Legislative Decree no. 38/2005”.

The **Secretary**, at the request of the Chairman, with the consent of those in attendance, then read out the proposals transcribed below.

In relation to item 1) on the agenda of the Shareholders' Meeting:

*“Dear Shareholders,
Having acknowledged the Reports of the Directors, the Board of Statutory Auditors and the Independent Auditing Firm, the Consolidated Financial Statements as at 31 December 2018, and the Non-Financial Statement, you are invited to approve the financial statements of Italgas S.p.A. for the year ended 31 December 2018 which closed with a profit of 193,744,903.76 euros.”*

In relation to item 2) on the agenda of the Shareholders' Meeting:

*“Dear Shareholders,
The Board of Directors proposes that you:
- allocate the profits for the year as follows:
-- to the Shareholders, as dividend, 189,337,707.47 euros, in the amount of 0.234 euros per share to the shares that are found to be in circulation at the coupon payment date;
-- to retained earnings, the remaining amount of 4,407,196.29 euros;
- resolve to pay the dividend of 189,337,707.47 euros from 22 May 2019, with coupon payment date set for 20 May 2019 and record date of 21 May 2019”.*

In relation to item 3) on the agenda of the Shareholders' Meeting (**Compensation Policy pursuant to article 123-ter of Legislative Decree no. 58 of 24 February 1998**) the Chairman:

- stated that the “2019 Compensation Report,” approved by the Board of Directors at the meeting on 22 February 2019, was filed at the company's registered offices, the authorised storage mechanism *emarketstorage* at the address *www.emarketstorage.com* and published on the Company’s website

on 11 March 2019. He also recalled that the Report was handed out at the entrance to the meeting room and was sent to those who had requested it;

- he made reference to and outlined the content of the letter to stakeholders prepared by the Appointments and Compensation Committee, reproduced below:

“Dear Shareholders,

The 2019 Compensation Report submitted for your examination and assessment today summarises the path embarked on since the listing of Italgas and reflects the extensive work carried out by the Appointments and Compensation Committee over the three years.

These three years have been particularly significant for the Committee, which was initially engaged in ensuring continuity in the managerial incentive systems inherited and then devising and introducing the new short and long-term incentive system for the Chief Executive Officer, Executives with strategic responsibilities and, more generally, for the Senior Executives of Italgas, and finally, in the last year, in consolidating its implementation and link with the determinants of business and the forecasts of the company's strategic plan.

In this process, the Appointments and Compensation Committee, following the regulatory developments and market practices applied to a national and international context, maintained a constant focus on listening and dialogue with the market through the promotion of structured periodic meetings with the main proxy advisors and institutional investors, supported by the relevant company departments. The requests received contributed to the definition of a new managerial incentive system introduced with the Co-Investment Plan launched in 2018, which provides for the deferral of part of the bonus accrued annually, the inclusion of equity instruments into the compensation structure, and the determination of the performance with objectives defined for the entire three-year vesting period.

Last year's Compensation Report achieved a favourable vote of 98.39% of the Shareholders' Meeting, the best result among Italian listed industrial companies. Nevertheless, constant dialogue with the market this year too has produced important indications to improve the transparency and legibility of the Report, suggestions that we have fully taken on board, including additional and more detailed information on the company's results and on their correlation with the incentive systems adopted.

The Appointments and Compensation Committee has also endorsed the adoption of a multi-year programme which, starting with recognition of diversity as a key resource for innovation, productivity and growth, sets out Italgas' commitment to this area in clear and measurable objectives.

With the 2019 Compensation Report the current Appointments and Compensation Committee concludes its term of office: I wish to express great thanks to the Directors Federica Lolli and Maurizio Dainelli, who have shared this important experience with me, for their significant contribution to collective discussions and their constant attention to the search for and construction of balanced and shared solutions.

A warm welcome and our sincere best wishes to those who will form the new Committee after the next renewal of the company bodies.

Confident that the Report submitted for your examination will once more demonstrate the ongoing commitment the Committee has ensured in these years, also on behalf of the other Directors, I thank you for your support of the 2019 Compensation Policy.”

The **Secretary**, at the request of the Chairman, with the consent of those in attendance, then read out the proposal transcribed below.

In relation to item 3) on the agenda of the Shareholders' Meeting:

“Dear Shareholders,

You are invited to approve the section of the Compensation Report referred to in subsection three of article 123-ter of the CLF with a non-binding resolution”.

In relation to item 4) on the agenda of the Shareholders' Meeting (**Appointment of the Board of Directors**), the Chairman recalled that:

- in relation to item 4.1 (**Determination of the term of office of Directors**), the outgoing Board of Directors proposed setting the term of office for the Directors to be appointed as three financial years, expiring on the date of the Shareholders' Meeting called to approve the financial statements as at 31 December 2021;
- in relation to point 4.2 (**Appointment of the members of the Board of Directors**), the following slates were submitted:
 - the shareholders CDP Reti S.p.A. and Snam S.p.A., representing a total of 39.545% of the capital of Italgas, jointly filed a slate of candidates (“Slate 1”);
 - a series of institutional investors, representing a total of 1.36615% of the capital of Italgas, filed a single slate of candidates (“Slate 2”);
- in relation to item 4.3 (**Appointment of the Chairman of the Board of Directors**), the outgoing Board of Directors proposed electing as Chairman of the Board of Directors the first candidate elected from the slate that obtained the majority of votes;

- in relation to item 4.4 (**Determination of the remuneration of the members of the Board of Directors**), the outgoing Board of Directors proposed fixing the gross annual remuneration due to each director as 50,000 euros in addition to the reimbursement of expenses incurred in relation to their office.

The **Secretary**, at the request of the Chairman, with the consent of those in attendance, then read out the candidates indicated in the slates submitted:

- **Slate 1**

1. Alberto Dell'Acqua
2. Paolo Gallo
3. Yunpeng He
4. Paola Annamaria Petrone
5. Maurizio Dainelli
6. Giandomenico Magliano
7. Veronica Vecchi
8. Patrizia Michela Giangualano
9. Nicolò Dubini

- **Slate 2**

1. Andrea Mascetti
2. Silvia Stefini

In relation to item 5) on the agenda of the Shareholders' Meeting (**Appointment of the Board of Statutory Auditors**), the Chairman recalled that:

- in relation to point 5.1 (**Appointment of the members of the Board of Statutory Auditors**), the following slates were submitted:

-- the shareholder CDP Reti S.p.A., representing 26.045% of the capital of Italgas, filed a slate of candidates ("Slate 1");

-- a series of institutional investors, representing a total of 1.36615% of the capital of Italgas, filed a single slate of candidates ("Slate 2");

-- in relation to point 5.2 (**Appointment of the Chairman of the Board of Statutory Auditors**): the Standing Auditor indicated in the minority slate who obtains the greatest number of votes shall be Chairman of the Board of Statutory Auditors;

- in relation to point 5.3 (**Determination of the remuneration of the Chairman and the members of the Board of Statutory Auditors**), the outgoing Board of Directors proposed fixing the gross annual compensation due to the Chairman of the Board of Statutory Auditors and each Standing

Auditor, respectively, as 70,000 euros and 45,000 euros, plus reimbursement of the expenses incurred.

The **Secretary**, at the request of the Chairman, with the consent of those in attendance, then read out the candidates indicated in the slates submitted:

- Slate 1

for the office of Standing Auditor:

- Maurizio Di Marcotullio
- Marilena Cederna

for the office of Alternate Auditor:

- Stefano Fiorini

- Slate 2

for the office of Standing Auditor:

- Pier Luigi Pace

for the office of Alternate Auditor:

- Giuseppina Manzo

At this point, the **Chairman** declared the discussion open, which transpired as follows.

Mr **Rodinò**, appreciated that the distribution of dividends was up by 12.5% on the previous year and the excellent results obtained, which confirm the validity of the strategies followed, at both business and financial level. He pointed out that Italgas had completed its first corporate management cycle, which started in November 2016 with the return to the Stock Market after the demerger from Snam; the current challenge – he continued – is the implementation of the 2018-2024 Industrial Plan, with over 4 billion euros invested to benefit the entire gas distribution system and the country. In the Shareholder's view, this is an ambitious plan that focuses on digitisation and aims, with an excellent service, to rise from the current 35% to 40% of the Italian natural gas distribution market. He asked what were the main approaches of the 2018-2024 business plan; pointing out that the acquisition of new companies plays an important role in the Plan – on the one hand to consolidate the presence of the Group in the country, and on the other to invest in areas that have not yet benefited from natural gas distribution infrastructure – he asked what were the main acquisitions made and which ones were planned for 2019. On this point, he pointed out that, as highlighted by the Chief Executive Officer, with the acquisitions made during the year the Group grew further, strengthening its presence in areas of the country with great development potential

and in which significant results were expected in the upcoming years; through these transactions Italgas has in fact acquired new distribution networks for a value of around 215 million euros and expanded the number of re-delivery points, exceeding the target set for 2018.

He continued by focusing on the digital innovation initiatives, asking what advantages smart meters are expected to bring and what new initiatives are planned. He concluded by thanking the outgoing Directors for the work they had done and wished the new Directors all the best in their work.

Mr **Carlizzi**, for Etica SGR, read the text of the speech which was then handed to the Chairman and is transcribed below:

Dear members of the Board of Directors and Board of Statutory Auditors, and Dear shareholders of Italgas S.p.A., this is the second year that Etica Sgr, a company of the Banca Etica Group, has participated in the Shareholders' Meeting as an investor focused on the company's economic and financial, as well as social and environmental performance. Note that Etica Sgr is one of the founders of the Sfc network, a group of investors involved in an active undertaking with the companies to propose sustainable development as an essential element of the role of bondholders and shareholders.

(SUSTAINABILITY ISSUES)

We wish to compliment the Administration and Management on the results achieved. We also want to celebrate having achieved, on 24 December 2018, on a voluntary basis, the UNI ISO 37001:2016 "anti-corruption" certification, for the creation of a Sustainability Policy and Stakeholder Engagement, and for joining Global Compact and another 4 sustainability networks.

Taking the "Sustainable Development Goals" (hereinafter also referred to as "SDG") as a starting point, we would like to raise some questions and ask the Company to give a preliminary response at this meeting, and the opportunity to discuss them at a specific meeting with the business areas, on whatever occasion it deems most suitable:

1. *Governance of sustainability (SDG 8). In relation to the 2018-2023 Sustainability Plan defined by the Company in 2017, we ask you to share the specific indicators defined as qualitative objectives linked to achievement of the 5 pillars identified in the Plan, with the respective deadlines.*

2. *Climate change (SDG 8 – Just transition). In relation to the energy transition, we ask if you know the publication produced by the Grantham Research Institute on Climate Change and the Environment at LSE and the Hauser Institute for Civil Society of the Harvard Kennedy School, in partnership with PRI and ITUC CSI IGB relating to a "just transition," that is, also attentive to the social impact, first and foremost on employees, to an economy with a lower environmental impact.*

With this in mind, we ask whether you would be willing to organise a meeting dedicated to the theme of Just Transition in which we would like to investigate two corporate areas connected with climate change; in particular:

2.1 The projects and investments planned for the purpose of retraining staff, in the context of the business transformation, to work in the new areas of business connected with climate change;

2.2 The projects and investments for managing any lay-offs in the context of the business reorganisation needed to adapt to the new areas of business connected with decarbonisation.

3. Climate change (SDG 13). In relation to Italgas' participation in CDP's Climate Change questionnaire, we ask the Company for a brief comment on the shift in the assessment in the questionnaire from A- in 2017 to B in 2018.

4. Board of Directors (SDG 8): in relation to the issue of sustainability governance, Etica Sgr wishes to congratulate Italgas for its commitment to carrying out an induction programme on aspects relevant for directors and auditors, which also includes ESG areas, that are significant or material for the company, in compliance with the provisions of the Corporate Governance Code.

In this context, we would like to know:

4.1 Whether the Board Induction programme is expected to continue in 2019 with the addition of ESG areas for members of the company bodies being renewed at this shareholders' meeting;

4.2 Whether the guidelines governing the activities of the Board include elements relating to ESG aspects that are relevant to the company and the Group;

4.3 Whether the process of assessing or self-assessing the activities of the Board also includes elements relating to ESG areas relevant for the company and the Group.

With regard to these matters, we are available for a close analysis of what the Company has achieved.

Etica Sgr notes that the Parent company payout is significantly higher than 70%, the threshold set by the SGR engagement policy. However, the debt dynamic appears to be under control, also given that the Company belongs to a regulated sector. Therefore, Etica Sgr will vote IN FAVOUR on this item on the Agenda. In this regard, we would like to ask the company to comment on the dynamic of the dividend planned for the next few financial years, in relation to the expected dynamic of company debt.

Etica Sgr appreciates the completeness and clarity of Italgas' compensation policy and in this regard compliments the Appointments and Compensation Committee. In this regard, we highlight two development opportunities:

5. BoD (SDG 8):

5.1 *In relation to the Long-Term Monetary Incentive (LTMI), we repeat the request made last year to also introduce a sustainability parameter, already provided for the short-term incentives, among the target indicators considered for the payout of the incentive.*

5.2 *Lastly, we ask the Company if it is willing to communicate, as it did last year, the data relating to the GRI Disclosure 102-38 indicator on the ratio of the total annual compensation for the highest paid individual of the organisation in Italy with respect to the median total annual compensation for all employees (excluding the highest paid individual) in the same country and to publish this information in its Sustainability Report from the next financial year onwards.*

Topic: Remuneration plan

5.1 *In relation to the Long-Term Monetary Incentive (LTMI), we repeat the request made last year to also introduce a sustainability parameter, already provided for the short-term incentives, among the target indicators considered for the payout of the incentive.*

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We hope that you interpret our considerations as a stimulus and a moment of mutual enrichment within the scope of the dialogue established over the years between Etica Sgr and Italgas.

Thank you for your willingness to listen and for the attention you have shown. We wish you all the best in your ongoing work.

Mr **Braghero** first stated that what the Chairman had said on the duration of the speeches and merging the discussion of the items on the agenda in his view goes against the Regulations of the Shareholders' Meeting, which under art. 7.2 establish that speeches should not exceed fifteen minutes and under art. 7.4 refer to the discussion on each item on the agenda.

The **Chairman** interjected to specify that the Regulations state that the “maximum duration of each speech should not as a rule exceed 15 minutes”; therefore, it is within the legitimate powers of the Chairman to set a shorter time.

Mr **Braghero** recalled having objected to the existence of Shareholders' Meeting Regulations on several occasions, deeming them superfluous and that this has been confirmed today; in his opinion, given the low number of speeches, it is not necessary to set a time limit shorter than fifteen minutes and he stressed that the merging of the discussion on the agenda items was not, in his view,

consistent with the Regulations. Moving on to the financial statements, the shareholder pointed out that Italgas has once again achieved the excellent results of the past, so much so that one naturally wonders why it was taken off the market at the time and what Eni would have gained from this. He pointed out that, in line with the wishes of the previous managements, Italgas now has a 35% share of the Italian natural gas distribution market and is seeking to further consolidate its position, and there is therefore the hope that it will look to international models such as Gas de France, for example. With respect to these brilliant results, the shareholder asked what were the reasons for replacing the majority of the outgoing Directors and members of the Board of Statutory Auditors. He asked which Directors were present, expressing particular appreciation for those who, despite not standing for re-election, had participated in the shareholders' meeting and, vice versa, particular criticism of those who, despite standing for re-election, were not in attendance.

Ms **Loizzi** applauded the extraordinary quarter, with results that the shareholder considered to be impressive – as highlighted by the Chief Executive Officer – and exciting. She then focused on the Digital Factory, to which a part of the over 500 million in investments made in 2018 has been allocated and that represents the driver of digital transformation in company processes, thanks to which Italgas in the years ahead could become a model of reference in terms of dynamism and attention to the environment, service quality and the energy needs of the community thanks to the daily commitment and value of the people that work at the company. She asked, in this regard, for details on the predictive maintenance projects completed in 2018 and those planned for 2019. She also asked about the impacts of digitisation on employees' quality of work and how they are reacting to the acceleration concentrated on this aspect. She then pointed out how the solid sustainability culture is another element typical of the Group Plan: she asked what initiatives were in place in this regard. She also asked if the investments envisaged in the 2018-2024 Plan will be able to bring benefits in terms of relations with end customers and with sales companies. Finally, she focused on the dividend – which has increased by 12.5% on the previous financial year – and on the share performance and concluded by asking about the forecasts and more generally the long-term choices of the Group with regard to the dividend policy.

Mr **Tacca** considered the result for the quarter to be extraordinary and pointed out that it is reflected in the share performance, which went from 3.80 to 5.50 euros. In particular, he appreciated the very contained cost of the debt and the dividend. He asked whether the distribution of the dividend on a half-yearly basis had been assessed, in line with the practice of many companies in the sector.

Finally, appreciating the sustainability-related efforts, he suggested replacing the paper format of the shareholders' meeting documentation with a digital format.

Mr **Favalli** appreciated the financial statement results, which in his opinion would have permitted an even higher dividend. He asked if the candidates for the appointment of the new Board of Directors were present.

As no one asked to speak, the **Chairman** first stated that the Directors Nicola Bedin, Paola Annamaria Petrone and Yunpeng He were present; the last two are also candidates for the renewal of the Board, unlike Mr Bedin, whom the Chairman thanked in particular for the work he had carried out as Chairman of the Sustainability Committee. He pointed out that the differences in the composition of the new Board respond to a physiological change, also taking into account the need, as a result of the listing, to also include minority Directors.

The **Chief Executive Officer**, after having recalled that the update of the 2018-2024 Plan is expected to be presented in June 2019, pointed out that this Plan will continue to be based first and foremost on important investments: a total of 4 billion euros, without taking into account the area tenders, with a forecast for 2019 of over 600 million euros. These investments, he added, are dedicated above all to the development, renewal and improvement of the network, also seeking to limiting the effects of the delayed area tenders, independent of the will of Italgas. Moreover, the Plan is based on digital transformation, starting with the digitisation of site management, launched in the last few days. The digitisation of site management will mean the work of suppliers can be checked more accurately, effectively, efficiently and in a shorter time. In addition, the Plan envisages growth through M&A transactions, continuing with the acquisitions already implemented in 2017 and 2018, which made it possible to acquire 190,000 re-delivery points with respect to the target of 250,000 re-delivery points in the three-year period 2017-2019, with new acquisitions, some of which are already being negotiated. Concluding this point, he said these were ambitious objectives that the Company is confident it can achieve.

As for smart meters, the Chief Executive Officer pointed out first of all that this is a useful tool to collect information on the quantity of gas, and above all the *pressure at the time the gas is released from the network [pressione di fondo rete]*, which at present cannot be measured; more generally, this tool brings significant benefits for both the end customer and commercial companies as – introducing the real time reading of consumption – it allows both sides to check, know and respectively pay and bill for the actual consumption surpassing the current model based on

consumption estimates, at the same time avoiding the current problems when changing supplier. From the Company's point of view, these tools, and more generally the digitisation of the network, permit real time control of the network and in particular the measurement of its operating parameters (such as volume, temperature, gas pressure); the digitisation will also be carried out by replacing the approximately 8,000 pressure reduction units (most of which already have a life superior to that of the depreciation and amortisation and therefore need replacing in any case) with new fully digital stations capable of transmitting all the gas parameters in real time, both those concerning operation and others such as the odorant content, thereby permitting the correct dosage. The Chief Executive Officer then thanked Etica SGR for the questions and ensured that there was full willingness to continue and to strengthen the dialogue entered into with the company departments on topics of common interest, in particular the governance of sustainability and climate change, pointing out that Italgas' attention to these aspects is demonstrated in a multitude of initiatives, such as the replacement of traditional cars with methane ones. He stated that the change in the assessment of Italgas from "a-" to "b" in CDP's climate change questionnaire is mainly down to the different sector positioning applied by CDP last year, including Italgas along with other major Italian utility companies which are no longer in the *Utilities* sector (as in 2017) but in the *Oil&Gas* sector; this resulted in different evaluation parameters which saw Italgas and other major Italian utility companies place lower in the final assessment; he pointed out that the result achieved by Italgas in the 2018 questionnaire is therefore higher than the sector median (assessment c) and that of the geographic area of reference (assessment b-). He ensured that the Board Induction initiatives will also continue with the new Board and that particular attention will be placed on the issue of sustainability.

The Chief Executive Officer, continuing with his responses, focused on payout and confirmed that, looking at the separate financial statements of the Parent Company, it is effectively placed above 70%: the most significant data, however, refers to the consolidated financial statements, where it is at 60%. More generally, he recalled the dividend policy established by the Board of Directors for the years 2018-2019-2020, which envisages a dividend equal to whichever is the higher out of the amount resulting from the 2017 DPS (€0.208) increased by 4% per year and the DPS equivalent to 60% of the consolidated net profit: this is a policy which, in the Company's opinion, represents the right balance point between the expectations of shareholders and the financial capabilities necessary to support the growth of the company through new investments; he pointed out that the outgoing Board had considered the possibility of distributing a dividend advance, however it deemed a one-time payment to be preferable. He also recalled that the long term monetary incentive plan was approved by the shareholders' meeting for the three-year period 2017-2019 and it sets the net profit

and the total shareholders return as performance indicators; at the end of the three years, if the conditions are such that it would be useful to re-propose this plan, among the performance indicators a parameter more directly referable to sustainability will also be taken into consideration. He concluded his responses to Etica SGR by stating that the ratio between the gross fixed remuneration of the Chief Executive Officer and the median of the other employees of the group is approximately 19.

He then recalled that Italgas is the third operator in Europe, moreover specifying that the gas distribution company in France operates as a monopoly; Italgas, operating on the contrary in a competitive market, has achieved a market share of around 35% and aims to increase it above all through area tenders. As for the investments, he stated that most of the over 500 million in investments made in 2018 was allocated to the RAB, while only a small portion refers to the digital factory; he then focused on the predictive maintenance initiatives, understood as activities aimed at identifying parameters for monitoring the network and intervening to prevent any malfunctions. He pointed out that both the digital factory and the network digitisation initiatives had been very warmly received by the Group personnel, who expressed their appreciation for these tools which allow them to work with greater ease and efficiency. He concluded by accepting the invitation to assess the move from paper to digital for the shareholders' meeting documentation.

As no one asked to speak again, the **Chairman** therefore declared the discussion of the topics on the agenda closed for today's Shareholders' Meeting and, with the consent of those present, asked the Notary to carry out the voting operations on the aforementioned agenda items.

The **Secretary** therefore:

- reminded shareholders of the voting methods and recommendations;
- acknowledged that **633,218,631** shares were now represented, amounting to **78.258664%** of the voting share capital;
- put to the vote, by means of the Radiovoter (at 12.33 p.m.), **the proposal of the Board of Directors on item 1) on the agenda** of the Shareholders' Meeting, as transcribed above.

The resolution is approved by a majority of the shareholders.

Against: 269,155 shares.

Abstained: 933,799 shares.

Not voting: 1,122,853 shares.

In favour the remaining no. 630,892,824 shares.

All as detailed in the annexes.

Having proclaimed the results, with those in attendance not having changed, he put to the vote, by means of the Radiovoter (at 12.36 p.m.) **the proposal of the Board of Directors on item 2) on the agenda** of the Shareholders' Meeting, as transcribed above.

The resolution is approved by a majority of the shareholders.

Against: 267,115 shares.

Abstained: 204,000 shares.

Not voting: 1,246,976 shares.

In favour the remaining no. 631,500,540 shares.

All as detailed in the annexes.

Having proclaimed the results, with those in attendance not having changed, he put to the vote, by means of the Radiovoter (at 12.37 p.m.) **the proposal of the Board of Directors on item 3) on the agenda** of the Shareholders' Meeting, as transcribed above.

The resolution is approved by a majority of the shareholders.

Against: 11,349,640 shares.

Abstained: 207,000 shares.

Not voting: 1,246,976 shares.

In favour the remaining no. 620,415,015 shares.

All as detailed in the annexes.

Having proclaimed the results, with those in attendance not having changed, he put to the vote, by means of the Radiovoter (at 12.38 p.m.) **the proposal of the Board of Directors on item 4.1) on the agenda** of the Shareholders' Meeting, as transcribed above.

The resolution is approved by a majority of the shareholders.

Against: 2,665,030 shares

Abstained: 204,000 shares.

Not voting: 1,122,853 shares.

In favour the remaining no. 629,226,748 shares.

All as detailed in the annexes.

Having proclaimed the results, with those in attendance not having changed, he put to the vote, by means of the Radiovoter (at 12.39 p.m.) **the proposal of the Board of Directors on item 4.2) on the agenda** (Appointment of the Board of Directors), by slate voting, based on the slates submitted. The **Secretary** once again went over the voting procedure and, in particular, recalled that in this case Shareholders are invited to demonstrate their preference for one of the slates submitted by pressing button “1” on the Radiovoter if their preference is for the slate submitted by CDP Reti S.p.A. and Snam S.p.A., indicated as number 1, or button “2” if their preference is for the slate submitted by the Institutional Investors, indicated as number 2. Therefore, the green “IN FAVOUR” button should not be used. Without prejudice, in this case, to the use of the red “AGAINST” button or the yellow “ABSTAIN” button to cast a vote, respectively, against or to abstain with respect to all the slates presented.

Against all the slates: 1,275,104 shares.

Abstained: 6,000 shares.

Not voting: 1,003,333 shares.

In favour of Slate one: 363,125,421 shares.

In favour of Slate two: 267,808,773 shares.

All as detailed in the annexes.

The following were therefore elected:

1. Alberto Dell’Acqua
2. Paolo Gallo
3. Yunpeng He
4. Paola Annamaria Petrone
5. Maurizio Dainelli
6. Giandomenico Magliano
7. Veronica Vecchi
8. Andrea Mascetti

9. Silvia Stefini

Having proclaimed the results, with those in attendance not having changed, he put to the vote, by means of the Radiovoter (at 12.40 p.m.) **the proposal of the Board of Directors on item 4.3) on the agenda** (Appointment of the Chairman of the Board of Directors).

The resolution is approved by a majority of the shareholders.

Against: 1,078,693 shares.

Abstained: 205,000 shares

Not voting: 2,326,976 shares.

In favour the remaining no. 629,607,962 shares.

All as detailed in the annexes.

Alberto Dell'Acqua was therefore elected Chairman.

Having proclaimed the results, with those in attendance not having changed, he put to the vote, by means of the Radiovoter (at 12.41 p.m.) **the proposal of the Board of Directors on item 4.4) on the agenda**.

The resolution is approved by a majority of the shareholders.

Against: 284,721 shares

Abstained: 204,000 shares.

Not voting: 1,246,976 shares.

In favour the remaining no. 631,482,934 shares.

Having proclaimed the results, with those in attendance not having changed, he put to the vote, by means of the Radiovoter (at 12.42 p.m.) **the proposal of the Board of Directors on item 5.1) on the agenda** (Appointment of the members of the Board of Statutory Auditors), by slate voting, based on the slates submitted. The Secretary once again went over the voting procedure and, in particular, recalled that in this case Shareholders are invited to demonstrate their preference for one of the slates submitted by pressing button "1" on the Radiovoter if their preference is for the slate submitted by CDP Reti S.p.A., indicated as number 1, or button "2" if their preference is for the slate submitted by the Institutional Investors, indicated as number 2. Therefore, the green "IN

FAVOUR” button should not be used. Without prejudice, in this case, to the use of the red “AGAINST” button or the yellow “ABSTAIN” button to cast a vote, respectively, against or to abstain with respect to all the slates presented.

Against all the slates: 1,078,553 shares.

Abstained: 11,342 shares.

Not voting: 8,379,734 shares.

In favour of Slate one: 457,609,092 shares.

In favour of Slate two: 166,139,910 shares.

All as detailed in the annexes.

Before proclaiming the statutory auditors elected, the **Chairman** invited those in attendance who voted for the slates other than the one that received the most votes, namely Slate 1, to declare any associations with the shareholders who submitted or voted for it.

The following were therefore elected:

for the office of Standing Auditor:

- Pier Luigi Pace
- Maurizio Di Marcotullio
- Marilena Cederna

for the office of Alternate Auditor:

- Stefano Fiorini
- Giuseppina Manzo

The **Chairman** recalled that, as only one minority slate had been submitted that is not in any way connected with the shareholder(s) that submitted the majority slate, it is not necessary to vote on the appointment of the Chairman of the Board of Statutory Auditors which was item 5.2 on the agenda. Pier Luigi Pace was therefore elected as Chairman.

With those in attendance not having changed, he then put to the vote, by means of the Radiovoter (at 12.43 p.m.) **the proposal of the Board of Directors on item 5.3) on the agenda.**

The resolution is approved by a majority of the shareholders.

Against: 2,040 shares.

Abstained: 211,343 shares.

Not voting: 1,246,976 shares.

In favour the remaining no. 631,758,272 shares.

The data on the attendances and votes **is set out in annex C.**

Having proclaimed the result, the **Chairman** declared the Shareholders' Meeting closed at 12.44 p.m.

The Chairman

The Secretary