



**SHAREHOLDERS' MEETING OF 27 APRIL 2017 AND 4 MAY 2017  
BOARD OF DIRECTORS' REPORT  
ON ITEM 4.2 OF THE AGENDA**

**“Appointment of the Board of Directors”**

Dear Shareholders,

The Board of Directors' members will be appointed by list voting.

The lists are presented by the Shareholders which, individually or together with other shareholders, represent at least 1 (one) % of the shares entitled to vote at the Shareholders' Meeting, and the Company will disclose the results by filing the same at the Company's head office, by an announcement in three daily newspapers, two of which must be financial newspapers, and by publication on the Company's Internet site at [www.aceea.it](http://www.aceea.it).

The list must be submitted to the Legal and Corporate Affairs Office at the Company's head office (Funzione Affari Legali e Societari, Piazzale Ostiense no. 2, Rome), or sent by fax to the Legal and Corporate Affairs Office at + 39 06 57994229, at least twenty-five days before the date scheduled for the Shareholders' Meeting on first convocation (within 16:00 of 3 April 2017, in consideration of the fact that the term for the submission would expire on 2 April 2017, which is a Sunday).

The submitting Shareholders must present, together with the lists, the curricula of the candidates, their declarations of irrevocable acceptance of the office, the declarations testifying to the non-existence of any cause for ineligibility and/or incompatibility and/or disqualification and the declarations testifying to the holding of the requisites of independence, as required by the applicable legislation and by the Articles of Association.

The composition of the Board of Directors must conform to the criteria indicated by the provisions regarding gender balance. To this regard, we point out that under Article 15 of the Articles of Association the renewal of the Board of Directors must comply with the balance between genders imposed by Law no. 120 of 12 July 2011, and therefore at least one third of the elected directors must be members of the less represented gender. The Shareholders that intend to submit a list for the renewal of the Board of Directors, bearing three or more candidates, are therefore requested to include on the list a number of candidates belonging to the less represented gender equal to at least one third of said candidates (if necessary, rounded up to the next whole number).

We also remind you that, pursuant to the Articles of Association, the candidates must be listed with a progressive number, and the number of candidates must be equal to the number of offices to be assigned. Each list must include at least two candidates holding the requirements of independence prescribed by law,



and said candidates must be indicated as such. In addition, one must not be below the second place on the list and the second must not be below fourth place on the list.

Furthermore, we invite the Shareholders, on presentation of the lists and on the successive appointment of the directors, to also take into account the guidelines expressed by the outgoing Board of Directors, as recommended by Article I.C.I, letter h), of the Self-Regulatory Code, regarding the characteristics of professional reputation and experience - including managerial experience - and the gender of the candidates, in relation to the Company's size, the complexity and specific features of the sector in which it operates, and the size of the Board of Directors. To this regard, we also remind you that the Guidelines of the Board of Directors in office have been rendered public and are attached to this Report.

The valid lists received within the set term will be put to the vote and a classification of the lists will be formed on the basis of the number of votes cast in favour of each list.

The election of the Board of Directors will take place as detailed below:

A. from the list that has obtained the majority of votes (hereinafter, for brevity, the "Majority List"), half plus one of the directors to be elected, rounded down to the nearest whole number in the case of a fractioned number, will be taken in the progressive order in which they are placed on the said list;

B. the rulings of law and the provisions of the Articles of Association regarding the limits to the connection with the Majority List always holding firm, the remaining directors will be taken from the other lists. For this purpose, the votes obtained by the said lists will be divided, within the sphere of each list, by 1, 2, 4 and 8 and so on, up to the number of directors to be elected. The quotients thus obtained will be progressively assigned to the candidates of said lists, according to progressive order indicated on the same. The quotients thus attributed to the candidates of the various lists will be placed in a single classification in decreasing order. Those with the highest quotients will be elected.

If several candidates have obtained the same quotient, the candidate elected will be that on the list from which no director is otherwise elected, or the list with the lowest number of directors elected.

If no director is elected from such lists or if the same number of directors is elected from such lists, the candidate elected will be the one that has obtained the highest number of votes. In the case of parity between the list votes and/or parity of quotients, the entire Shareholders' Meeting will vote again and the candidate with the simple majority of votes will be elected.

For further information, please consult Article 15 of the Articles of Association.

We lastly remind you that, pursuant to Article 147-ter, paragraph 1-ter, of the CFA, if the composition of the Board of Directors resulting from the election does not respect the aforesaid gender balance criterion (i.e. at least one third of the total must belong to the less represented gender), Consob will have the power to order the company to comply within a deadline of four months and, in the case of non-compliance, a fine



from Euro 100,000 to Euro 1,000,000 may be applied, to be paid within the following three months. In the case of further non-compliance, the entire Board of Directors shall fall from office.

Dear Shareholders,

You are invited to vote for one of the lists presented and publicised according to the Provisions of the Articles of Association.

For the Board of Directors  
The Chairwoman  
Catia Tomasetti