

# **REPORTS OF THE BOARD OF DIRECTORS AND MOTIONS FOR RESOLUTIONS TO THE SHAREHOLDERS' MEETING ORDINARY SESSION**

**Shareholders' Meeting  
of March 30, 2017**

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## **NOTICE OF SHAREHOLDERS' MEETING**

### **Calling to Shareholders' Meeting**

*(Published on February 22, 2017)*

The shareholders of Edison Spa are called to a meeting, convened in ordinary session, in Milan, at 31 Foro Buonaparte, on **Thursday March 30, 2017 at 11:00 AM**, to vote on the following

### **Agenda**

#### **Financial Report**

1. Financial Statements at December 31, 2016.
2. Determinations concerning the appropriation of the loss for the year.

#### **Compensation Report**

3. Consultation on "Section One" of the Compensation Report.

#### **Board of Statutory Auditors**

4. Election of the Board of Statutory Auditors.
5. Election of the Chairman of the Board of Statutory Auditors.
6. Determination of the compensation of the Chairman of the Board of Statutory Auditors and of the Statutory Auditors.

#### **Eligibility to Attend the Shareholders' Meeting**

Only shareholders who, based on the evidence provided by an intermediary, held voting rights at the close of business on **the day falling two business day prior to the date set for the Shareholders' Meeting on the first calling, i.e., at the close of business on Tuesday March 28, 2017 (Record Date)**, will be eligible to exercise their right to vote. Any shareholders holding voting rights after the Record Date will not be eligible to attend and vote at the Shareholders' Meeting. A sale of the shares after the Record Date will have no impact on the eligibility to attend the Shareholders' Meeting. The eligibility to attend must be certified by means of a communication provided by an intermediary, for the benefit of the party holding the right to vote, in accordance with its accounting records attesting that the shares were credited to the account of the party in question, at the close of business on the abovementioned date. In accordance with the applicable regulations, the abovementioned communication must reach the Company before the Shareholders' Meeting is called to order on each calling.

#### **Attendance and Voting by Proxy Including Through the Representative Designated by Edison S.p.A.**

Any party who is eligible to attend and vote at the Shareholders' Meeting may choose to be represented at the Meeting by means of a written proxy, with the option of using for this purpose the proxy form available on this page of the Company website (<http://www.edison.it/en/shareholders-meeting-march-30-2017>) and at the Company's registered office. The proxy may also be conveyed with an IT document signed in electronic format.

The proxy may be notified to the Company as follows:

- a) by regular mail to the following address:  
Computershare S.p.A.

(Ref. "Delega per Assemblea del 30/03/2017 Edison SpA")

Via Lorenzo Mascheroni, 19

20145 MILANO – Italy;

- b) by fax to the number +39.02.46776850;
- c) as an attachment to a certified e-mail sent to the address:  
[ufficiomilano@pecserviziitolitoli.it](mailto:ufficiomilano@pecserviziitolitoli.it)

Together with the proxy form, eligible parties shall also submit a copy of a valid identification document and, in the case of companies, evidence of their powers as representatives (copy of Chamber of Commerce document, power of attorney or other suitable document).

Any documents notified in advance shall not relieve the proxy agent, upon being accredited for access to the Shareholders' Meeting, from the obligation to certify that the notified copy matches the original and the identity of the principal.

The principal shall have the right to give instructions to the proxy agent, revoke the proxy given, designate one or more substitutes.

Alternatively, eligible parties may appoint as their proxy agent, free of charge, not later than the end of the day falling two stock market trading days before the date of the Shareholders' Meeting (**by Tuesday March 28, 2017**) the representative designated by the Company pursuant to Article 135-*undecies* of Legislative Decree No. 58/1998 (hereinafter the "**Designated Representative**"). For the purposes of the abovementioned Shareholders' Meeting, the Company selected as its Designated Representative **Computershare S.p.A.**

The appointment of the abovementioned Representative as proxy agent must be conveyed by filling out and signing a proxy form provided for this purpose, which will be available by **Tuesday February 28, 2017**, at the Company's registered office or on its website (<http://www.edison.it/en/shareholders-meeting-march-30-2017>).

The original of the proxy must be delivered to the Designated Representative, with voting instructions for the item on the Agenda, at the following address:

Computershare S.p.A.  
Via Lorenzo Mascheroni, 19  
20145 MILANO – Italy.

A copy may be sent in advance:

- a) by fax to the number +39.02.46776850;
- b) as an attachment to a certified e-mail sent to the address  
[ufficiomilano@pecserviziitolitoli.it](mailto:ufficiomilano@pecserviziitolitoli.it).

The proxy to the Designated Representative shall have no effect with respect to the motions for which no voting instructions are provided.

A proxy and the corresponding voting instructions may be revoked by means of a written statement, issued with the same modalities, up to the abovementioned deadline (by **Tuesday March 28, 2017**).

Additional information is available on the Company website (<http://www.edison.it/en/shareholders-meeting-march-30-2017>).

Starting on **Tuesday February 28, 2017**, the Designated Representative will be available to answer questions at the Help Desk number +39.02-46776826/39/11 and at the following e-mail address: [ufficiomi@computershare.it](mailto:ufficiomi@computershare.it).

**Right to Amend the Agenda or File Additional Motions Regarding Item Already on the Agenda**

Pursuant to Article 126-*bis* of Legislative Decree No. 58/98 ("TUF"), shareholders who, individually or jointly, represent at least one-fortieth of the Company's share capital may submit a request, within 10 days from the publication of the Notice of Shareholders' Meeting (i.e., by **Saturday March 4, 2017**), to amend the Meeting's Agenda or file additional motions regarding item already on the Agenda, listing on their request the additional items or the additional motions that they are filing.

Amendments are not allowed for issues regarding which the Shareholders' Meeting is required, pursuant to law, to deliberate based on a motion submitted by the Directors or based on a plan or report prepared by the Directors, different from those referred to in Article 125-*ter*, Section 1, of the TUF.

Requests must be delivered in writing to the Company, together with a communication by an intermediary certifying the ownership of the equity stake on the date of the request, as follows:

- a) hand delivered or by registered mail, with return receipt, send to the address:  
Edison S.p.A.  
(Ref. "Corporate Affairs – Integrazione OdG Assemblea del 30/03/2017 Edison SpA")  
Foro Buonaparte, 31  
20121 MILANO – Italy;
- b) a communication sent by certified e-mail to the following address:  
[assemblea.azionisti@pec.edison.it](mailto:assemblea.azionisti@pec.edison.it).

Requests must also be accompanied by the personal data of the requesting party (first and last name, place and date of birth, or, in the case of entities or companies, name, registered office and tax I.D. number).

Requesting shareholders shall deliver to the Company, in the same manner and by the same deadline (**Saturday March 4, 2017**) mentioned above, a report showing the rationale for the motions regarding the issues being submitted for discussion or the rationale for additional motions regarding issues already on the Agenda.

Additional information is available on the Company website (<http://www.edison.it/en/shareholders-meeting-march-30-2017>).

**Right to Submit Questions Prior to the Shareholders' Meeting**

Pursuant to Article 127-*ter* of the TUF, parties eligible to vote may submit questions about the item on the Agenda prior to the Shareholders' Meeting.

Questions must be submitted in writing to the Company as follows:

- a) hand delivered or by a letter mailed to the address:  
Edison S.p.A.  
(Ref. "Corporate Affairs – Domande Assemblea del 30/ 03/2017 Edison SpA")  
Foro Buonaparte, 31  
20121 MILANO – Italy;
- b) a communication sent by certified e-mail to the following address:  
[assemblea.azionisti@pec.edison.it](mailto:assemblea.azionisti@pec.edison.it).

Requests must also be accompanied by the personal data of the requesting party (first and last name, place and date of birth, or, in the case of entities or companies, name, registered office and tax I.D. number).

Parties who can certify that they owned their shares on **Tuesday March 28, 2017**

(**Record Date**) are entitled to receive an answer, provided they can deliver, concurrently with or subsequent to the submission of a question, a communication of the intermediary for the purpose of exercising this right, or a copy thereof, or provide reference data from the communication of the intermediary for the purpose of attending the Shareholders' Meeting.

Questions and the corresponding certification of the eligibility to exercise this right must be received **by Monday, March 27, 2017**.

In order to facilitate the organization of the answers provided, questions must contain a reference to the page number of the corresponding Report of the Board of Directors or other document provided to the Shareholders' Meeting.

Questions from eligible parties that are received prior to the Shareholders' Meeting and are pertinent to the items on the Agenda shall be answered during the Shareholders' Meeting at the latest. The Company may provide a single answer to question with the same content.

#### **Election of the Board of Statutory Auditors**

Nominations for election may be filed up to the day of the Shareholders' Meeting by shareholders who have a right to vote at the Meeting.

The Board of Statutory Auditors is comprised of 3 (three) Statutory Auditors and 3 (three) Alternates. With regard to gender parity the composition of the Board of Statutory Auditors must be compliant, separately for Statutory Auditors and Alternates, with the criteria provided in the relevant laws and regulations.

Individuals who already hold the maximum allowable number of posts in a management and control body, as determined in accordance with the applicable regulations, or who fail to meet the requirements of independence, professionalism and integrity required by the applicable statutes and by these Bylaws, and who would otherwise be unfit for election or be required to resign under the applicable laws and regulations, may not be nominated and, if elected, must forfeit their office.

Nominations for election, signed by the filing shareholder, must be submitted at the Company's main office:

- a) by delivering them to the following address:  
Edison S.p.A.  
(Ref. "Corporate Affairs – Candidature Assemblea del 30/03/2017 Edison SpA")  
Foro Buonaparte, 31  
20121 MILAN – Italy;
- b) by communicating them to the following certified e-mail address:  
[assemblea.azionisti@pec.edison.it](mailto:assemblea.azionisti@pec.edison.it);
- c) by filing them directly at the Shareholders' Meeting.

Filings of nominations for election must be accompanied by information that allows the identification of the filing party. Within the date of the Shareholders' Meeting, the filing party shall ensure that a communication issued by a qualified intermediary, in accordance with the applicable regulations, attesting to the registration of the shares in his/her name on the date the nominations are filed is duly delivered.

Any entries posted to the account of the filing shareholder subsequent to the nominations' filing date will have no effect on the eligibility to exercise this right.

Together with the nominations, the following documents shall be filed for each candidate:

- a) an affidavit stating that he/she accepts the nomination and will accept the post if elected;
- b) an affidavit attesting that there are no reasons making him/her unelectable or incompatible or which would cause him/her to be removed from office and that he/she has the qualifications required for this post pursuant to the relevant regulations and the Bylaws;
- c) an affidavit attesting that he/she meets the requirements of independence, professionalism and integrity required by the applicable regulations and the Bylaws;
- d) an affidavit attesting that he/she the eligibility, if any, to qualify as independent also in accordance with the criteria provided for Directors in the Corporate Governance Code promoted by Borsa Italiana, adjusted as necessary;
- e) a curriculum vitae providing exhaustive information about his/her personal and professional background, with a listing of any posts held in administration and control bodies at other companies.

Any change that may occur in the communicated data up to the date when the Shareholders' Meeting is effectively held shall be promptly communicated to the Company.

As soon as they become available, nominations for election will be made available to the public at the Company's main office and on its website at the address <http://www.edison.it/en/shareholders-meeting-march-30-2017> and on the authorized storage system "NIS-Storage" ([www.emarketstorage.com](http://www.emarketstorage.com)).

### **Documents and Information**

The documents concerning the items on the Agenda, required pursuant to the laws currently in effect, will be available to the public at the Company's main office and on its website at the address <http://www.edison.it/en/shareholders-meeting-march-30-2017> and on the authorized storage system "NIS-Storage" ([www.emarketstorage.com](http://www.emarketstorage.com)) within the deadline required by current laws and specified on the abovementioned Company website.

Shareholders are entitled to consult all of the abovementioned documents on file at the Company's registered office and obtain a copy of those documents.

Additional information is available from the Corporate Affairs Department by calling the telephone numbers +39.02.62227465 or +39.02.62227985 or sending a fax to +39.02.62227954.

The subscribed and paid-in share capital of Edison S.p.A. amounts to 5,377,000,671,00 euros, divided into 5,266,845,824 common shares and 110,154,847 savings shares, all with par value of 1 euro.

This Notice was published on the Company website (<http://www.edison.it/en/shareholders-meeting-march-30-2017>) and, as an excerpt, in the newspaper *Il Sole 24 Ore*, through the SDIR-NIS system and the authorized storage system "NIS-Storage" ([www.emarketstorage.com](http://www.emarketstorage.com)).

Milan, February 22, 2017

The Board of Directors  
By: Marc Benayoun  
*Chief Executive Officer*

## **FINANCIAL REPORT**

### **Items 1 and 2 on the Agenda**

#### **Financial Statements at December 31, 2016**

*(Document published in the 2016 Annual Report)*

*Dear Shareholders,*

Your company's separate financial statements at December 31, 2016 show a loss of 249,942,725 euros.

If you concur with the criteria adopted to prepare the financial statements and the accounting principles and methods applied, we recommend that you adopt the following resolutions:

#### **Motions for resolutions to the shareholders' meeting**

##### **FIRST RESOLUTION**

*"The Shareholders' Meeting,*

- having reviewed the Company's separate financial statements and the Group's consolidated financial statements at December 31, 2016, as well as the Report on Operations submitted by the Board of Directors and the Report on Corporate Governance and the Company's Ownership Structure;
- being cognizant of the Report of the Board of Statutory Auditors pursuant to Article 153 of Legislative Decree No. 58/1998 (TUF);
- being cognizant of the Reports of the Independent Auditors on the separate and consolidated financial statements at December 31, 2016;

##### **resolves**

- to approve the Company's separate financial statements for the year ended December 31, 2016, and the individual items contained therein, which show a loss of 249,942,725 euros."

##### **SECOND RESOLUTION**

*"The Shareholders' Meeting,*

- being cognizant that the separate financial statements for the year ended December 31, 2016 show a loss of 249,942,725 euros;
- having been informed that in the above-mentioned separate financial statements there are no available reserves that can be used for the coverage of the loss;

##### **resolves**

- to bring forward the loss of 249,942,725 euros."

Milan, February 13, 2017

The Board of Directors  
By: Marc Benayoun  
Chief Executive Officer



## COMPENSATION REPORT

### *Item 3 on the Agenda*

#### **Consultation on section one of the Compensation Report**

*(Document published in the 2016 Corporate Governance)*

*Dear Shareholders,*

The Shareholders' Meeting is required to vote on "Section One" of the Compensation Report, which deals with your Company's compensation policies for Directors and Executives with Strategic Responsibilities, and the procedures used to adopt and implement those policies. The resolution is not binding.

The Compensation Report was prepared in accordance with the provisions of current laws and regulations and consistent with the Corporate Governance Code for Listed Companies, which your Company adopted.

If you concur with the content of the abovementioned Report, we recommend that you vote to approve "Section One" of the Compensation Report by adopting the following resolution:

#### **Motion for resolutions to the shareholders' meeting**

##### **THIRD RESOLUTION**

*"The Shareholders' Meeting,*

- being cognizant of the Compensation Report prepared by the Board of Directors, in accordance with the provisions of Article 123-ter of Legislative Decree No. 58/98, as amended, and the guidelines provided in Article 84-quarter, added by the Consob to the Issuers' Regulation with Resolution No. 18049 of December 23, 2011;
- having specifically reviewed "Section One" of the Compensation Report, which deals with the company's compensation policies for Directors and Executives with Strategic Responsibilities, and the procedures used to adopt and implement those policies;
- taking into account the Corporate Governance Code for Listed Companies, which the Company adopted;
- having acquired the favourable opinion of the Compensation Committee;

#### **resolves**

to approve "Section One" of the Compensation Report."

Milan, February 13, 2017

The Board of Directors  
By: Marc Benayoun  
Chief Executive Officer

## **BOARD OF STATUTORY AUDITORS**

### ***Items 4, 5 and 6 on the Agenda***

**Election of the Board of Statutory Auditors.**

**Election of the Chairman of the Board of Statutory Auditors.**

**Determination of the compensation of the Chairman of the Board of Statutory Auditors and of the Statutory Auditors.**

*Dear Shareholders,*

The approval of the 2016 annual financial statements marks the end of the term of office and the expiration of the mandate of the current Board of Statutory Auditors, elected by the Shareholders' Meeting on March 28, 2014 for three years, i.e., until the Shareholders' Meeting convened to approve the 2016 annual financial statements.

The Shareholders' Meeting is thus being asked to elect a Board of Statutory Auditors and its Chairman, in accordance with the terms and provisions of Article 22 of the Company Bylaws. In that regard, please note that the Bylaws require the following:

- the Board of Statutory Auditors must be comprised of three Statutory Auditors and three Alternates;
- the composition of the Board of Statutory Auditors must be consistent, separately regarding both the Statutory Auditors and the Alternates, with the criteria of the legislation governing gender parity;
- candidates must meet the requirements of integrity, professionalism and independence specified by the applicable laws and the Company Bylaws.

With reference to the requirements of independence, it should be noted that, given that the Company has stated its application of the Code of Corporate Governance promoted by Borsa Italiana (the "**Code**"), it is desirable that the candidates also meet the independence requirements indicated for directors in the said Code, with the required adjustments. The possession of the independence requirements must be declared in the acceptance of the role.

It also should be noted that, in compliance with the Code, the Board of Statutory Auditors must opportunely verify after its election the possession of the above-mentioned independence requirements and forward those results to the Board of Directors, so that it can disclose them through a press release.

Candidates must comply with the restrictions of current laws regarding the maximum number of management and control posts that they may hold.

Nominations of candidates, complete with the documents required by current laws and specified in the Notice of Shareholders' Meeting, must be filed at the Company's Registered Office within the deadline and in the manner also specified in the Notice of Shareholders' Meeting.

In any case, the Company urges to submit the nominations of candidates sufficiently in advance of the date of the Shareholders' Meeting, so that it may provide the market with adequate information.

As soon as the nominations of candidates and the respective documents are received they will be made available to the public at the Company's registered office and on its website ([www.edison.it](http://www.edison.it)), as well as on the website of Borsa Italiana S.p.A. ([www.borsaitaliana.it](http://www.borsaitaliana.it)) and the "NIS-Storage" authorized storage mechanism ([www.emarketstorage.com](http://www.emarketstorage.com)). The Company shall promptly inform the public of the successful election of the Board of Statutory Auditors by means of a press release distributed through the SDIR-NIS system and published on the Company website and the "NIS-Storage" authorized storage mechanism.

The elected Board of Statutory Auditors will serve for a period of three years, i.e., until the Shareholders' Meeting convened to approve the 2019 annual financial statements.

Please keep in mind that the compensation of the Statutory Auditors currently in office was determined by the Shareholders' Meeting on March 28, 2014, awarding a gross annual fee of 60,000 euros for the Chairman and 40,000 euros for each Statutory Auditor.

It should be noted that the Code of Corporate Governance recommends that the compensation of the Statutory Auditors is proportional to the required commitment, to the relevance of the role, to the Company size and sector.

Now, therefore, the Shareholders' Meeting is being asked to adopt the following resolutions, based on the proposals which will be submitted:

### **Motions for resolutions to the shareholders' meeting**

#### **FOURTH RESOLUTION**

Election of the Board of Statutory Auditors.

#### **FIFTH RESOLUTION**

Election of the Chairman of the Board of Statutory Auditors.

#### **SIXTH RESOLUTION**

Determination of the fee of the Chairman of the Board of Statutory Auditors and of the Statutory Auditors.

Milan, February 13, 2017

The Board of Directors  
By: Marc Benayoun  
*Chief Executive Officer*