



SHAREHOLDERS' MEETING ORDINARY SESSION

REPORTS OF THE BOARD OF DIRECTORS AND MOTIONS FOR RESOLUTIONS TO THE SHAREHOLDERS' MEETING

Shareholders' Meeting
April 28, 2020 – First calling
May 27, 2020 – Second calling

CONTENTS

CALL NOTICE OF SHAREHOLDERS' MEETING

Calling to Shareholders' Meeting	Page 3
----------------------------------	--------

REPORTS OF THE BOARD OF DIRECTORS AND MOTIONS FOR RESOLUTIONS TO THE SHAREHOLDERS' MEETING

Financial Report

• Items 1 and 2 on the Agenda	Page 11
-------------------------------	---------

Report on compensation policy and on compensation paid

• Items 3 and 4 on the Agenda	Page 13
-------------------------------	---------

Board of Directors

• Item 5 on the Agenda	Page 15
------------------------	---------

Board of Statutory Auditors

• Items 6, 7 and 8 on the Agenda	Page 18
----------------------------------	---------

Independent Statutory Audit

• Items 9 and 10 on the Agenda	Page 20
--------------------------------	---------

Edison S.p.A. communicates that the dates and/or location and/or methods of holding of the Shareholders' Meeting indicated in this call notice could change if further measures are issued by the competent Authorities in light of the COVID-19 emergency - effective as at April 28, 2020 or May 27, 2020 - in relation to the current epidemic and its developments which are currently unforeseeable. Any changes shall be promptly notified using the same methods envisaged for publication of the call notice.

Calling to Shareholders' Meeting

(Published on March 27, 2020)

CALL NOTICE OF SHAREHOLDERS' MEETING

The shareholders of Edison S.p.A. are called to a meeting, convened in ordinary session, in Milan, Via Agnello 18 – at Studio Notarile (Notary Practice) Marchetti on:

Tuesday April 28, 2020 at 11.00 AM on first calling and, if necessary,
Wednesday May 27, 2020 at 11. AM on second calling

to resolve upon the following

Agenda

Financial Report

1. Financial Statements at December 31, 2019.
2. Determinations regarding the allocation of the loss for the year.

Report on compensation policy and on compensation paid

3. "Section One" – Compensation policy regarding the period 2019-2021. Approval.
4. "Section Two" - Compensation paid in 2019. Advisory vote.

Board of Directors

5. Election of Directors.

Board of Statutory Auditors

6. Election of the Board of Statutory Auditors.
7. Election of the Chairman of the Board of Statutory Auditors.
8. Determination of the compensation of the Chairman of the Board of Statutory Auditors and of the Statutory Auditors.

Independent Statutory Audit

9. Assignment, for the financial years 2020-2028, of the annual independent statutory audit engagement and of the semi-annual accounts audit engagement, as well as of other engagements connected with the audit.
10. Determination of the related fee and of the adjustment criteria.

Legitimate entitlement to attend the Shareholders' Meeting

Without prejudice to the provisions of the next paragraph, those who, based on the information of the intermediary, are holders of voting rights at the end of the accounting day of the **second business day before the date set for the Shareholders' Meeting on first call, and therefore, at the end of Friday, April 24, 2020 (Record Date)**, are

entitled to take part in the Shareholders' Meeting, and to exercise the voting right, exclusively on the basis of conferral of the appropriate proxy or sub-proxy to the appointed representative (Computershare S.p.A.), as specified below. Those who obtain voting rights subsequent to the Record Date shall not have the right to participate and to vote, while any disposal of shares subsequent to the Record Date will have no effects for the purposes of this entitlement. Entitlement is attested to by a communication made by the intermediary, in favour of the party with voting rights, in accordance with its accounting entries proving the registration of the crediting of shares at the end of the date specified above. The communication must be received in compliance with applicable regulations, by the beginning of the Shareholders' Meeting proceedings on single call and without prejudice to the principle according to which participation and voting at the Shareholders' Meeting can take place exclusively through conferral of the appropriate proxy or sub-proxy to the appointed representative (Computershare S.p.A.).

Participation and Vote by proxy through the Representative Appointed by Edison S.p.A.

In order to reduce the risks stemming from the COVID-19 health emergency, **participation at the Shareholders' Meeting can only take place through the representative appointed** by the Company pursuant to Article 135-*undieces* of Legislative Decree no. 58/1998 and subsequent amendments ("TUF") (hereinafter the "**Appointed Representative**"), as permitted by Article 106, paragraph 4, of Legislative Decree no. 18 of March 17, 2020. For this communication, the Company identified **Computershare S.p.A.** as the Appointed Representative.

The proxy to the Appointed Representative can be conferred:

- pursuant to Article 135-*undieces* of the TUF, directly by the person holding the voting right (the **Direct Proxy**), by filling in and signing the specific form, prepared by said Appointed Representative, in agreement with the Company, called "**Direct Proxy Form**";
- or, in derogation of Article 135-*undieces*, paragraph 4 of the TUF, by the person holding the voting right or the person delegated by the latter pursuant to Article 135-*novies* of the TUF (the **Proxy** or **Sub-proxy**), by filling in and signing the specific form, prepared by said Appointed Representative, in agreement with the Company, called "**Proxy or Sub-proxy Form**" (together the **Proxy to the Appointed Representative and Proxy Form to the Appointed Representative**).

The conferral of the Proxy to the Appointed Representative does not involve expenses, with the exception of transmission or shipping expenses.

The Proxy **Forms** to the Appointed Representative are available from the Company's registered office and on its website (<https://www.edison.it/en/ordinary-shareholders-meeting-2020>).

The Proxy to the Appointed Representative can also be conferred via a digital document with electronic signature.

The Proxy form to the Appointed Representative must reach the Company, via the Appointed Representative, accompanied by the **Voting Instructions** reserved to him, through one of the following alternative methods:

- a) digitally reproduced copy (PDF) sent to ufficiomilano@pecserviziotitoli.it provided that the delegating person, even if a legal entity, uses their own certified e-mail address or, if lacking, signs the electronic document with an advanced electronic, qualified or digital signature, or
- b) via e-mail to the address ufficiomi@computershare.it

Where the delegating person (or the sub-delegating person) does not have a certified e-mail address, the original copy of the proxy, the instructions and a copy of the related documentation must be sent to the registered office of Computershare S.p.A., via Lorenzo Mascheroni 19, 20145 Milan, as soon as the measures to contain the COVID-19 (Corona Virus) health emergency issued by the competent Authorities are lifted.

Together with the Proxy form to the Appointed Representative, the delegating person or the sub-delegating person must send a copy of a valid identity document and, if a legal entity, also evidence of his powers of representation (copy of chamber of commerce search, power of attorney or other appropriate deed).

The Direct Proxy, with the associated voting instructions, must be received by the Appointed Representative by the end of the second stock market trading day before the Shareholders' Meeting (and therefore **by Friday, April 24, 2020 in the event of single call or by Monday, May 25, 2020 in the event of second call**).

The Direct Proxy and voting instructions to the Appointed Representative can be revoked by means of a written declaration, issued with the same methods, by the same deadline as above (by **Friday, April 24, 2020 in the event of single call, or by Monday, May 25, 2020 in the event of second call**).

The Proxy or Sub-Proxy with the associated voting instructions, must be received **no later than Monday, April 27, 2020 at 12:00 p.m., or by Tuesday, May 26, 2020 at 12:00 p.m.**, without prejudice to the fact that Computershare may accept the proxies, sub-proxies and/or instructions including after the above-mentioned term and before the opening of Shareholders' Meeting proceedings.

The Proxy or Sub-Proxy and the associated voting instructions can always be revoked by means of a written statement provided with the same methods.

The Proxy to the Appointed Representative is not effective with regards to proposals for which voting instructions have not been conferred.

It should be noted that, in the event unknown circumstances are verified, or in the event of an amendment or addition to the proposals presented at the Shareholders' Meeting, the company Computershare S.p.A., as Appointed Representative, cannot be authorised to express a vote inconsistent with that indicated in the instructions received.

It should be noted that no provision is made for expressing a vote electronically or by correspondence.

The Shareholders' Meeting shall only be held through telecommunication methods, and the instructions relating to the methods of participation shall be communicated by the Company individually to those legitimately entitled to attend.

Additional information may be found on the Company website (<https://www.edison.it/en/ordinary-shareholders-meeting-2020>).

The Appointed Representative will be available for clarifications or information through the Help Desk number 02-46776826/11, as well as at the email address ufficiomi@computershare.it.

Right to add to the agenda or submit additional resolution proposals on matters already on the agenda

Pursuant to Article 126-*bis* of the TUF, those shareholders who, including jointly, represent at least one-fortieth of the share capital may request, within 10 days of the publication of the call notice, and **by Monday, April 6, 2020**, to add to the list of matters to be discussed, or submit additional resolution proposals on matters already on the agenda, specifying in the request the additional topics or the additional resolution proposals they are submitting.

Adding to the agenda is not permitted for topics on which the Shareholders' Meeting passes resolutions, according to the law, on proposal of the directors or on the basis of a project or a report they have prepared, other than those pursuant to Article 125-*ter*, paragraph 1, of the TUF.

The requests must be submitted to the Company in writing, along with the communication of the intermediary attesting to ownership of the investment on the date of the request:

- a) by sending a registered letter with advice of receipt to the address:
Edison S.p.A.
(Ref. "Corporate Affairs & Governance - Integrazione OdG Assemblea Ordinaria Edison SpA 2020")
Foro Buonaparte, 31
20121 MILAN – Italy;
- b) by means of a communication to the certified email address:
assemblea.azionisti@pec.edison.it.

The requests must also be accompanied by the personal data of the requesting shareholder (surname and name, place and date of birth) for natural persons, or the name and tax code for entities or companies.

Requesting shareholders must send the Company, with the same methods and within the same term as specified above (**by Monday, April 6, 2020**), a report indicating the justification of the resolution proposals on the matters for which discussion is proposed, or the justification relating to the additional resolution proposals submitted on matters already on the agenda.

Any additions to the agenda or the submission of resolution proposals on matters already on the agenda will be disclosed at least fifteen days before the date scheduled for the Shareholders' Meeting (or **by Tuesday, April 14, 2020 in the case of the first call, or by Wednesday, May 13, 2020 in the case of the second call**), in the same forms as those set forth for the publication of this notice. At the same time, the reports prepared by those requesting an addition and/or additional resolution proposals submitted will be made available to the public in the same forms as those set forth for documentation relating to the Shareholders' Meeting, accompanied by any assessments of the Board of Directors.

Additional information may be found on the Company website (<https://www.edison.it/en/ordinary-shareholders-meeting-2020>).

Right to ask questions before the Shareholders' Meeting

Pursuant to Article 127-*ter* of the TUF, those entitled to vote may ask questions about the items on the agenda before the Shareholders' Meeting.

Questions must be received **within 7 (seven) open stock market trading days before** the date set for the Shareholders' Meeting on first call and, therefore, **by Friday, April 17, 2020**. These must be presented in writing to the Company:

- a) by sending a letter to the address:
Edison S.p.A.
(Ref. "*Corporate Affairs & Governance - Domande Assemblea Ordinaria Edison SpA 2020*")
Foro Buonaparte, 31
20121 MILAN – Italy;
- b) by means of a communication to the certified email address:
assemblea.azionisti@pec.edison.it.

The requests must be accompanied by the personal data of the requesting shareholder (surname and name, place and date of birth) for natural persons, or the name and tax code for entities or companies.

Parties who certify that they own shares on **Friday, April 24 2020 (Record Date)** are entitled to receive a response, by sending, including after the questions, the communication of the intermediary for the exercising of said right or the copy, or references, of the communication of the intermediary for participation in the Shareholders' Meeting.

In order to facilitate the organisation of the responses, the requests must contain the reference to the page number of the associated Directors' Report or any other document made available for the Shareholders' Meeting.

A response shall be provided to the questions received, before the Shareholders' Meeting, from legitimately entitled persons and which concern the items on the agenda, at the latest at least **2 days before the Shareholders' Meeting on first call, and therefore by April 26, 2020**, through publication in the appropriate section of the Company's website. The Company may provide a single response to questions with the same content.

Election of Directors

Shareholders entitled to vote are entitled to submit nominations until the **Record Date**. The Company invites its Shareholders to ensure that their nominations are received by the Company in due time prior to the date of the Shareholders' Meeting, so as to provide adequate disclosure to the market.

Candidates must meet the requirements laid out by the law and regulations on the matter. In addition, in choosing candidates, with regards to the group of directors who remain in office, the provisions governing gender balance must be observed. It is suggested that the additional diversity criteria recommended by the Code of Corporate Governance also be taken into consideration.

Nominations, signed by the proposing shareholder, must be submitted to the Company:

- a) by sending them to the address:
Edison S.p.A.
(Ref. "*Corporate Affairs & Governance - Candidature Amministratori Assemblea Ordinaria Edison SpA 2020*")
Foro Buonaparte, 31
20121 MILAN – Italy;
- b) by means of a communication to the certified email address:

assemblea.azionisti@pec.edison.it.

Nominations must be accompanied by information that allows for the identification of the party proposing them and the communication made by the authorised intermediaries, in compliance with applicable regulations, proving the registration of the shares to such party at the date of submission of the nominations.

Any registrations made on the accounts of the presenting shareholder after the day of submission of the nominations shall not be relevant for the purposes of entitlement to exercise the right.

Along with the nominations, the following must be attached for each candidate:

a) the statement accepting the nomination and any appointment; b) the statement attesting to the non-existence of causes for ineligibility and incompatibility or that would cause them to be removed from office, as well as the fulfilment of the requirements laid out by regulations and the By-laws for the office; c) the statement attesting to fulfilment of the requirements of integrity laid out by applicable regulations and the By-laws; d) a statement attesting to any fulfilment of independence requirements, laid out in Article 148, paragraph 3, of the TUF, as referred to in Article 147-ter, paragraph 4 of the TUF and Article 3 of the Code of Corporate Governance promoted by Borsa Italiana; e) the CV containing a complete disclosure on personal and professional characteristics, with an indication of the administration and control positions held in other companies.

In addition, the Shareholders are asked to accompany their nominations with a comment regarding the diversity policies pursued.

Any change in the information provided that may take place until the date on which the Shareholders' Meeting actually occurs must be promptly disclosed to the Company.

For further information, please refer to the report of the Board of Directors, which shall be made available in accordance with the methods and time-scales set forth in the legislation in force.

As soon as they are available, the nominations will be made available to the public on the Company website at <https://www.edison.it/en/ordinary-shareholders-meeting-2020>, and in the authorised storage mechanism "eMarket Storage" (www.emarketstorage.com).

Election of the Board of Statutory Auditors

Shareholders entitled to vote are entitled to submit nominations until the **Record Date**.

The Board of Statutory Auditors is comprised of three (3) Standing Auditors and three (3) Alternates. On gender parity, the composition of the Board of Statutory Auditors must comply, distinctly with regard to the standing auditors and with regard to the alternates, with the requirements specified by the relative legislative and regulatory provisions.

As regards gender balance, it should be noted that, in cases - like that of Edison - of Boards of Statutory Auditors composed of three members, given the mathematical impossibility of applying the arithmetic criterion of two-fifths required for the less represented gender by Law no. 160 of December 27, 2019 ("2020 Budget Law"), numbers shall be rounded down to the nearest unit, as set forth in Consob communication no. 1/20 of January 30, 2020.

Persons who already serve on the maximum allowed number of posts of administration and control bodies determined in accordance with the applicable regulations, or who

do not meet the requirements of independence, integrity and professionalism set forth in the relevant statutes and the By-laws or for whom there are any causes of ineligibility or reasons that would cause them to be removed from office cannot be elected, and if elected as statutory auditors will be removed from office.

Nominations, signed by the proposing shareholder, must be submitted to the Company:

- a) by sending them to the address:
Edison S.p.A.
(Ref. “*Corporate Affairs & Governance - Candidature Collegio Sindacale Assemblea Ordinaria Edison SpA 2020*”)
Foro Buonaparte, 31
20121 MILAN – Italy;
- b) by means of a communication to the certified email address:
assemblea.azionisti@pec.edison.it.

Nominations must be accompanied by information that allows for the identification of the party proposing them. By the **Record Date**, this party will need to send the communication made by the authorised intermediaries, in compliance with applicable regulations, proving the registration of the shares to such party at the date of submission of the nominations.

Any registrations made on the accounts of the presenting shareholder after the day of submission of the nominations shall not be relevant for the purposes of entitlement to exercise the right.

Along with the nominations, the following must be attached for each candidate:

- a) the statement accepting the nomination and any appointment;
- b) the statement attesting to the non-existence of causes for ineligibility and incompatibility or that would cause them to be removed from office, as well as the fulfilment of the requirements laid out by regulations and the By-laws for the office;
- c) the statement attesting to fulfilment of the requirements of independence, professionalism and integrity laid out by applicable regulations and the By-laws;
- d) any eligibility for qualification as independent, also on the basis of the requirements set forth, with the necessary adjustments, by the Code of Corporate Governance with reference to the directors;
- e) the CV containing a complete disclosure on personal and professional characteristics, with an indication of the administration and control offices held in other companies.

Any change in the information provided that may take place until the date on which the Shareholders’ Meeting actually occurs must be promptly disclosed to the Company.

The Company invites its Shareholders to ensure that their nominations are received by the Company in due time prior to the date of the Shareholders’ Meeting, so as to provide adequate disclosure to the market.

As soon as they are available, the nominations will be made available to the public on the Company website at <https://www.edison.it/en/ordinary-shareholders-meeting-2020>, and in the authorised storage mechanism “eMarket Storage” (www.emarketstorage.com).

Documentation and Information

The documentation relating to the items on the agenda, set forth in the applicable legislation, will be made available to the public at the Company’s registered office, on



the Company's website at <https://www.edison.it/en/ordinary-shareholders-meeting-2020> and in the authorised storage mechanism "eMarket Storage" (www.emarketstorage.com) according to the terms set out in the applicable provisions and specified on the Company website mentioned above.

The shareholders and other parties entitled to participate in the Shareholders' Meeting are entitled to obtain a copy of it.

Additional information may be requested from *Corporate Affairs & Governance* by calling 02.62227465 or 02.62227985.

Edison S.p.A.'s subscribed and paid up share capital totals 5,377,000,671.00 euros, divided into 5,267,224,718 common shares and 109,775,953 savings shares, all with a par value of 1 euro each.

This notice is published on the Company website (<https://www.edison.it/en/ordinary-shareholders-meeting-2020>) as well as in excerpt form in the daily newspaper "*Il Sole 24 Ore*", and sent to Borsa Italiana S.p.A., through eMarket SDIR, and the authorised storage mechanism "eMarket Storage" (www.emarketstorage.com).

Pursuant to European Regulation 2016/679 and Legislative Decree 196/2003 as amended, the Data Controller for personal data is Edison S.p.A. A full disclosure on data processing in relation to the exercise of rights correlated with the Shareholders' Meeting is available on the website www.edison.it ("Governance" / "2020 Ordinary Shareholders' Meeting / Shareholders' Rights").

Milan, March 27, 2020

The Board of Directors
By: Nicola Monti
Chief Executive Officer

FINANCIAL REPORT

Items 1 and 2 on the Agenda

Financial statements at December 31, 2019 Determinations regarding the allocation of the loss for the year

(Document published in the 2019 Annual Report)

Dear Shareholders,

Your Company's separate financial statements at December 31, 2019 show a loss of 411,250,898.65 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, 2019, the Report on Operations submitted by the Board of Directors and the Report on Corporate Governance and the Company's Ownership Structure, as well as the Consolidated Non-Financial Statement;
- considering the Report of the Board of Statutory Auditors to the Shareholders' Meeting pursuant to art. 153 of Legislative Decree No. 58/1998 (TUF);
- considering the Reports of the Independent Auditors on the separate and consolidated financial statements at December 31, 2019;

resolves

to approve the Company's separate financial statements for the year ended December 31, 2019, as a whole, and the individual items contained therein, which show a loss of 411,250,898.65 euros, rounded to 411,250,899 in the financial statements."

SECOND RESOLUTION

"The Shareholders' Meeting,

- acknowledging that the separate financial statements for the year ended December 31, 2019, approved by this Shareholders' Meeting, show a loss of 411,250,898.65 euros;
- having regard to the previous losses carried forward for an amount of 438,689,411.88;

- having regard to the existing reserves;
resolves
to bring forward the loss of 411,250,898.65 euros.”

Milan, February 13, 2020

The Board of Directors
By: Nicola Monti
Chief Executive Officer

REPORT ON COMPENSATION POLICY AND ON COMPENSATION PAID

Items 3 and 4 on the Agenda

**“Section One” – Compensation policy regarding the period 2019-2021.
Approval.**

“Section Two” - Compensation paid in 2019. Advisory vote.

(Document published in the 2019 Corporate Governance)

Dear Shareholders,

the report on compensation policy for the period 2019-2021 and on compensation paid by Your Company in 2019 (the **2019 Compensation Report**) was developed pursuant to and in implementation of the provisions of Article 123-ter of Legislative Decree 58/1998 and subsequent amendments (known as TUF). The article was last amended by means of Legislative Decree 49/2019, and the report was prepared, with the necessary adjustments as the secondary legislation has not yet been adapted to the new provisions that have entered into force, in accordance with the guidance provided in Article 84-quater, as implemented by the Consob with Resolution No. 18049 of 23 December 2011, introduced by the Consob in the Issuers' Regulations published by the Consob itself for the purpose of implementing the TUF. In addition, the principles set forth in Article 6 of the Corporate Governance Code for Listed Companies, July 2018 edition (the “Code”) are adopted as general reference guidelines on compensation policies for this Report.

It should be noted that, in the light of the recently introduced legal amendments, the Shareholders' meeting is required from this year to:

- i) approve “Section One” of the 2019 Compensation Report, which outlines the compensation policies adopted by Your Company in 2019 and proposed for the following two years (2020-2021), based on the information provided in the report, for the members of the Board of Directors (including executives with special duties), executives with strategic responsibilities, and the members of the Board of Statutory Auditors, as well as the procedures followed for adopting and implementing said policy. The resolution is binding;
- ii) vote on the "Section Two" of the 2019 Compensation Report, which, by name for the members of the Board of Directors and Control Bodies and, in aggregate form, for executives with strategic responsibilities, indicates the remuneration paid in 2019 for any reason and in any form by the Company and its subsidiaries or associated companies. The resolution is not binding.

If you agree with its contents, we propose you adopt the following resolutions.

Motions for resolutions to the shareholders' meeting

"The Shareholders' Meeting,

- having taken note of the 2019 Compensation Report prepared by the Board of Directors, in application of the provisions of Article 123-ter of Legislative Decree 58/1998 and subsequent amendments, and with the necessary adjustments, to the provisions set forth in Article 84-quater introduced by Consob in the Issuers' Regulations with resolution no. 18049 of 23 December 2011;
- having examined "Section One" and "Section Two" of the 2019 Compensation Report;
- in consideration of the Corporate Governance Code for listed companies, to which the Company adheres;
- having obtained the favourable opinion of the Compensation Committee and, to the extent applicable, of the Related Party Transactions Committee;

resolves

THIRD RESOLUTION

to approve "Section One" of the 2019 Compensation Report.

FOURTH RESOLUTION

in favour of "Section Two" of the 2019 Compensation Report."

Milan, February 13, 2020

The Board of Directors
By: Nicola Monti
Chief Executive Officer

BOARD OF DIRECTORS

Item 5. on the Agenda

Election of Directors

Dear Shareholders,

during 2019, following the appointment of the new Board of Directors by the Shareholders' Meeting of April 2, 2019, a change in the positions of Chairman and Chief Executive Officer took place, for the relinquishment of the respective roles of Jean-Bernard Lévy (who served as Chairman until June 30, 2019) and Marc Benayoun (who served as Chief Executive Officer until June 30, 2019), who also remained Directors, as well as the resignation of Sylvie Jéhanno from the position of Director with effect from June 19, 2019.

In this circumstance, on June 19, 2019, the Board of Directors made an uninterrupted choice, considering it appropriate, on the one hand, to elect Marc Benayoun as Chairman, effective from July 1, 2019 and, on the other hand, from June 19, 2019, to co-opt director Nicola Monti, as manager of one of Edison's core businesses, also appointing him Chief Executive Officer, effective from July 1, 2019, in order to ensure continuity in the management of the Group. Nicola Monti will therefore remain in office until this meeting.

Subsequently, on February 6, 2020 director Nicole Verdier-Naves resigned from her position as director and member of the Compensation Committee, with effect from the shareholders' meeting called to approve the financial statements at December 31, 2019, namely this meeting.

Considering that the Shareholders' Meeting of April 2, 2019, which had appointed the Board of Directors currently in office, had also set the number of members of the Board of Directors at 9 (nine), the Shareholders' Meeting is asked to proceed with the integration of the Board of Directors by appointing 2 (two) Directors, in accordance with the provisions of the law and the By-laws, without prejudice to its different determination within the framework of the provisions of the By-laws concerning the minimum and maximum number of members of the Board of Directors.

It should be noted that the candidates to be elected must meet the requirements of the law and the relevant regulations.

Gender balance provisions will also have to be observed in the choice. To this end, it should be noted that the Shareholders' Meeting of April 2, 2019, even though the provisions of the law on the subject were no longer applicable as this was the fourth renewal of the Board of Directors' term of office following their introduction, appointed the new Board of Directors taking into account the fact that at least one third of the Directors should belong to the less represented gender, rounded up to the next highest unit and that the rules requiring a quota of at least two fifths for the less represented gender are not yet applicable, because this is the case of a Board of Directors integration and not of its entire renewal.

It is also suggested that account be taken of the additional diversity criteria recommended by the Code, and therefore proposing for the office of Director those represent the various business segments of the Company and who possess the main professional and management skills required for the proper running of the business, while also ensuring the presence of Directors with international experience.

In order to assist Shareholders in identifying the most suitable persons to propose for the office of director of the company, it should be noted that:

- the director whose office is due to expire at this Shareholders' Meeting, Nicola Monti, holds the position of Chief Executive Officer and until his appointment as director was the executive of one of the main business areas of the Company, as shown in the curriculum attached to the Governance Report;
- the outgoing director Nicole Verdier-Naves was also a member of the Compensation Committee. In this regard, it is recommended that care be taken in appointing, as a replacement, a person with the specific professional skills required by the Code for the members of the Compensation Committee, and, in particular, adequate experience in accounting and financial matters and/or remuneration policies;
- neither of the two outgoing directors had the status of "independent" director.

In addition, the Board of Directors has confirmed the guideline - expressed for some time now during the self-assessment - that no Director should hold more than 5 (five) posts as Director or Statutory Auditor at companies listed on regulated exchanges (including abroad) and financial, banking and insurance companies or companies of significant size that are not part of the group to which Edison belongs. This for enabling the Directors to devote the necessary time to the performance of their tasks and adequate availability to discharge their duties effectively, although the Company remains convinced that the determination of these issues is first of all the responsibility of the individual Directors upon accepting their appointments, and taking into account, if applicable, service on any of the Board Committees.

The Directors appointed will remain in office until the natural expiry of the current Board of Directors, determined by the Shareholders' Meeting of April 2, 2019, i.e. until the Shareholders' Meeting that will approve the financial statements for the year ending December 31, 2021.

They will be entitled to the same compensation established by the above-mentioned Shareholders' Meeting, i.e. a fixed gross compensation of 50,000 euros on an annual basis and an attendance fee of 1,800 euros for each Board meeting each Director attends. These fees, in relation to the role that may be assigned to them, will be augmented by the additional fees assigned by the Board of Directors to directors holding particular offices, in line with the remuneration policies adopted by the Company.

As regards the submission of nominations, the By-laws require proposals to be complete with the documents required pursuant to applicable legislation and regulations, and be submitted to the Company within the deadline and in the manner stated in the Notice of the Meeting, which should be referred to for the details. In

addition, the Shareholders are asked to accompany their nominations with a comment regarding the diversity policies pursued.

In any event, the Company advises its Shareholders to ensure that their nominations are received in due time prior to the date of the Shareholders' Meeting, so as to provide adequate disclosure to the market. As soon as they are available, the nominations, accompanied by the relative documentation will be made available to the public on Edison's website (www.edison.it) and on the authorised storage mechanism "eMarketStorage" (www.emarketstorage.com). Edison will inform the public without delay of the election of the Directors by means of a press release issued through "eMarketSDIR" and published on Edison's website, as well as on the authorised storage mechanism "eMarketStorage".

Now, therefore, the Shareholders' Meeting is invited to pass the following resolutions.

Motions for resolutions to the shareholders' meeting

FIFTH RESOLUTION

Election of two Directors.

Milan, February 13, 2020

The Board of Directors
By: Nicola Monti
Chief Executive Officer

BOARD OF STATUTORY AUDITORS

Items 6, 7 and 8 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 2019 financial statements marks the end of the term of office of the Board of Statutory Auditors currently in office, elected by the Shareholders' Meeting on March 30, 2017 for a three-year period ending with the Shareholders' Meeting convened to approve the 2019 financial statements, namely this meeting.

Therefore, the Shareholders' Meeting is invited to elect the Board of Statutory Auditors and its Chairman, according to the terms and provisions of art. 22 of the By-laws. In this respect, it should be noted that the By-laws require:

- the Board of Statutory Auditors to be comprised of three standing statutory auditors and three alternate auditors;
- the composition of the Board of Statutory Auditors to comply, separately with regard to both standing and alternate auditors, with the criteria indicated in the provisions on gender balance. In this regard, it should be noted that, in cases - such as that of Edison - of Boards of Statutory Auditors composed of three members, owing to the mathematical impossibility of applying the arithmetic criterion of two-fifths set forth for the less represented gender by Law no. 160 of 27 December 2019 ("2020 Budget Law"), the company will round down to the nearest unit, as set out in Consob communication no. 1/20 of 30 January 2020;
- candidates must meet the requirements of integrity, professionalism and independence required by current regulations and the By-laws.

With regard to the independence requirements, it should be noted that, since the Company has declared that it adheres to the Corporate Governance Code, it is desirable that the candidates also meet the independence requirements set forth in this Code for directors, with the necessary adjustments. This must be acknowledged in the declaration of acceptance of the office.

It should also be noted that, in compliance with the provisions of the Code, after the appointment, the Board of Statutory Auditors must promptly verify the above independence requirements and transmit the results of the verifications to the Board of Directors, so that it can communicate them to the public, by means of a press release circulated to the market.

Lastly, in the choice of candidates, it is suggested that, in accordance with the By-laws, the new Board of Statutory Auditors should include different and complementary

professional backgrounds, so as to allow for the effective performance of the functions that the control body is called upon to perform.

Candidates must comply with the limits on the cumulation of administration and control posts established by the current provisions.

Applications, accompanied by the documentation required by the provisions in force and specified in the notice of call, must be submitted to the Company by the deadline and in the manner specified in the notice of call.

The Company advises its Shareholders to ensure that their nominations are received in due time prior to the date of the Shareholders' Meeting, so as to provide adequate disclosure to the market. As soon as they are available, the nominations, accompanied by the relative documentation will be made available to the public on Edison's website (www.edison.it) and on the authorised storage mechanism "eMarketStorage" (www.emarketstorage.com). Edison will inform the public without delay of the election of the Board of Statutory Auditors by means of a press release issued through "eMarketSDIR" and published on Edison's website, as well as through the authorised storage mechanism "eMarketStorage".

The Board of Statutory Auditors appointed will remain in office for three financial years, i.e. until the Shareholders' Meeting that approves the financial statements for 2022.

It is worth mentioning that the compensation of the Statutory Auditors currently in office was determined by the Shareholders' Meeting of March 30, 2017 and revised upward on that occasion to make it consistent, as required by the Code, with the commitment required, the importance of the position held and the size and sector characteristics of Edison, with an annual compensation of 75,000 euros (gross) for the Chairman and 50,000 euros (gross) for each standing auditor. In this regard, the shareholders' meeting is recommended to take its resolutions according to the above-mentioned requirement.

Having said this, the meeting is invited to take the following resolutions, on the basis of the proposals that will be received:

Motions for resolutions to the shareholders' meeting

SIXTH RESOLUTION

Election of the Board of Statutory Auditors.

SEVENTH RESOLUTION

Election of the Chairman of the Board of Statutory Auditors.

EIGHTH RESOLUTION

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

Milan, February 13, 2020

The Board of Directors
By: Nicola Monti
Chief Executive Officer

Independent Statutory Audit

Items 9 and 10 on the Agenda

Assignment, for the financial years 2020-2028, of the annual independent statutory audit engagement and of the semi-annual accounts audit engagement, as well as of other engagements connected with the audit Determination of the related fee and of the adjustment criteria

Dear Shareholders,

the approval of the financial statements for 2019 marks the end of the independent statutory audit engagement assigned to Deloitte & Touche S.p.A. by the Shareholders' Meeting of April 26, 2011, for the financial years 2011-2019, due to the expiry of the nine-year period set forth in Article 17, paragraph 1, of legislative decree dated January 27, 2010 no. 39 and subsequent amendments and additions (**Legislative Decree 39/2010**).

For this reason, today's Shareholders' Meeting is called to express its opinion on the choice of the new auditor and to assign him the annual independent statutory audit engagement, the semi-annual accounts audit engagement and other engagements connected with the audit, to be assigned in relation to compliance with the requirements of laws, regulations and consolidated practices. The Shareholders' Meeting is also called to determine the related fee and the adjustment criteria.

In view of the prohibition set forth in Article 17, paragraph 1, of Legislative Decree 39/2010, the audit engagement may not be reassigned to the same auditing firm.

In accordance with Article 16 of EU Regulation no. 537/2014, the selection of the new Independent Auditors is based on a recommendation made by the Board of Statutory Auditors, which acts in its capacity as Internal Control and Audit Committee pursuant to Article 19, paragraph 2, letter a), of Legislative Decree 39/2010, following a selection procedure carried out under the responsibility of the Board of Statutory Auditors, as Edison falls within the category of public-interest entities, as defined in Article 16 of Legislative Decree 39/2010.

The procedure for identifying the auditor is explained in detail in the "*Proposal - Recommendation of Edison's Board of Statutory Auditors for the appointment of the independent statutory auditor for the period 2020-2028*" ("**Proposal**"), attached to this report (Annex 1).

The Board of Statutory Auditors indicated in the Proposal, pursuant to Art. 16, par. 2 of EU Regulation no. 537/2014, as well as Art. 13, paragraph 1 and Art. 17, paragraph 1 of Legislative Decree 39/2010, to appoint one of the following companies to conduct the independent statutory audit: KPMG S.p.A. or PricewaterhouseCoopers S.p.A., expressing its preference for KPMG S.p.A., for the reasons indicated in the mentioned Proposal.

According to law, the audit engagement will last nine years, i.e. the financial years 2020-2028.

The following table summarises the type of activities included in the engagement, the commitment and the fees for each activity, as proposed in the offers received from KPMG S.p.A. and PricewaterhouseCoopers S.p.A., the auditors selected by the Board of Statutory Auditors.

Proposals in details				
Activity	KPMG		PricewaterhouseCoopers	
	Hours	Fees (€)	Hours	Fees (€)
a) Audit of the separate financial statements of Edison Spa (*)	8,400	462,000	8,100	550,800
b) Audit of the consolidated financial statements (**)	1,100	60,500	2,500	170,000
c) Verification of regular bookkeeping and correct recording of operating events	350	19,250	Values included in Activity a)	
d) Coordination activities for other auditors	100	5,500	100	6,800
Total statutory audit	9,950	547,250	10,700	727,600
e) Limited audit of the condensed semi-annual financial statements of Edison Spa	400	22,000	1,300	88,400
f) Limited audit of the condensed consolidated semi-annual financial statements of the Edison Group	1,000	55,000	700	47,600
Total audit of financial statements	1,400	77,000	2,000	136,000
TOTAL AUDIT	11,350	624,250	12,700	863,600
g) Compliance review of the Separate Annual Accounts for electricity and gas sector	300	16,500	300	20,400
h) Revision of the statement of expenses incurred for Research and Development activities	400	22,000	400	27,200
i) Limited review of the Consolidated Non-Financial Statement (***)	500	27,500	500	34,000
TOTAL audit-related services	1,200	66,000	1,200	81,600
TOTAL Edison S.p.A.	12,550	690,250	13,900	945,200

(*) Including checks on the consistency of the Directors' Report on Operations and the Corporate Governance Report and their compliance with the law, the checks necessary for the signing of tax returns and the verification of the preparation by the Directors of section two of the Report on Compensation policy and compensation paid

(**) Including checks on the consistency of the annual report and the corporate governance report and their compliance with the law.

(***) Including verification that the report has been prepared by the Directors.

The Proposal also indicates that both offers include adjustment criteria of the fees commensurate to the percentage change in the ISTAT cost-of-living index, as well as

the possibility to request the increasing of the fee upon the occurrence of events which can modify the content of the performed activities (for example the changes in the Group structure and regulatory changes).

Having said all this, the Shareholders' Meeting is invited to pass the following resolutions, with the clarification that - having the Board of Statutory Auditors indicated two different companies - the proposal to appoint KPMG S.p.A. as the independent statutory auditor indicated as preferred will be put to a vote in the first place and, only if this proposal does not reach the votes required for its approval, the proposal for the same appointment to PricewaterhouseCoopers S.p.A. will be put to a vote.

Motions for resolutions to the shareholders' meeting

NINTH RESOLUTION

“The Shareholders' Meeting,

- having regard to the report of the Board of Directors prepared on this item on the agenda;
- examined the Proposal of the Board of Statutory Auditors, in its capacity as the Internal Control and Audit Committee of Edison S.p.A., to award the audit assignment for the financial years 2020-2028, as well as other engagements connected with the audit, to be assigned in relation to compliance with the requirements of laws, regulations and consolidated practices, in which it expresses its reasoned preference for KPMG S.p.A., here annexed;

resolves

- to assign, for the financial years 2020-2028, to KPMG S.p.A. the annual independent statutory audit engagement and the audit of the semi-annual accounts engagement, as well as other engagements connected with the audit, to be assigned in relation to compliance with the requirements of laws, regulations and consolidated practices, as detailed in the report of the Board of Directors here annexed.”

- *in case of non-approval of the NINTH RESOLUTION*

NINTH Bis RESOLUTION

“The Shareholders’ Meeting,

- having regard to the report of the Board of Directors prepared on this item on the agenda;
- examined the Proposal of the Board of Statutory Auditors, in its capacity as Internal Control and Audit Committee of Edison S.p.A., to award the audit assignment for the financial years 2020-2028, as well as other engagements connected with the audit, to be assigned in relation to compliance with the requirements of laws, regulations and consolidated practices, in which it indicates PricewaterhouseCoopers S.p.A. as an alternative, here annexed;

resolves

- to assign, for the financial years 2020-2028, to PricewaterhouseCoopers S.p.A. the annual independent statutory audit engagement and the audit of the semi-annual accounts engagement, as well as other engagements connected with the audit, to be assigned in relation to compliance with the requirements of laws, regulations and consolidated practices, as detailed in the report of the Board of Directors here annexed.”

TENTH RESOLUTION

“The Shareholders’ Meeting,

- having regard to the report of the Board of Directors prepared on this item on the agenda;
- examined the Proposal of the Board of Statutory Auditors, in its capacity as the Internal Control and Audit Committee of Edison S.p.A., to award the audit assignment for the financial years 2020-2028, as well as other engagements connected with the audit, to be assigned in relation to compliance with the requirements of laws, regulations and consolidated practices;
- taking into account the resolution passed in item nine on the agenda regarding to the appointment of KPMG S.p.A. as independent statutory auditor for the financial years 2020-2028;

resolves

- to determine the fee for the activity that KPMG S.p.A. will carry out in fulfilment of the annual independent statutory audit engagement and of the semi-annual accounts audit engagement in the annual amount of 624,250 euros, corresponding to 11,350 hours, and of other engagements connected with the audit, to be assigned in relation to compliance with the requirements of laws, regulations and consolidated practices, in the annual amount of 66,000 euros, corresponding to 1,200 hours, as detailed in the table of the report of the Board of Directors here annexed;
- to approve that the fees, as previously decided: (a) shall be adjusted annually to take account of the percentage change in the ISTAT cost-of-living index from the publication of the ISTAT figure for the first financial year following that in which the engagement was assigned; b) may be adjusted, with the prior authorisation of the Company and, on behalf of the Company, of the Board of Directors, upon the verification of significant circumstances not foreseeable at the time of preparation of the proposal, as such to lead to longer times than those estimated in the proposal, subject to the formulation of a written supplement to the proposal, without prejudice to the fact that the adjustment of the fees will be valued at the rates indicated in the proposal itself, taking into account the hours and the composition of the personnel required. Likewise, if less time is taken than expected, the fees will be reduced proportionally;
- to grant the Chairman of the Board of Directors and the Chief Executive Officer, severally and with the power to sub-delegate, a broad mandate to formalise the assignment of the above-mentioned offices and, more generally, to carry out all the initiatives resulting from the assumption and inherent to the implementation of this resolution.

- *in the event of non-approval of the TENTH RESOLUTION*

TENTH Bis RESOLUTION

"The Shareholders' Meeting,

- having regard to the report of the Board of Directors prepared on this item on the agenda;
- examined the Proposal of the Board of Statutory Auditors, in its capacity as the Internal Control and Audit Committee of Edison S.p.A., to award the audit assignment for the financial years 2020-2028, as well as other engagements connected with the audit, to be assigned in relation to compliance with the requirements of laws, regulations and consolidated practices;
- taking into account the resolution passed in item nine of the agenda regarding the appointment of PricewaterhouseCoopers S.p.A. as independent statutory auditor for the financial years 2020-2028;

resolves

- to determine the fee for the activity that PricewaterhouseCoopers S.p.A. will carry out in fulfilment of the annual independent statutory audit engagement and of the semi-annual accounts audit engagement in the annual amount of 863,600 euros, corresponding to 12,700 hours, and of other engagements connected with the audit, to be assigned in relation to compliance with the requirements of laws, regulations and consolidated practices, in the annual amount of 81,600 euros, corresponding to 1,200 hours, as detailed in the table of the report of the Board of Directors here annexed;
- to approve that the fees, as previously decided: (a) shall be adjusted annually to take account of the percentage change in the ISTAT cost-of-living index from the publication of the ISTAT figure for the first financial year following that in which the engagement was assigned; b) may be adjusted, with the prior authorisation of the Company and, on behalf of the Company, of the Board of Directors, upon the verification of significant circumstances not foreseeable at the time of preparation of the proposal, as such to lead to longer times than those estimated in the proposal, subject to the formulation of a written supplement to the proposal, without prejudice to the fact that the adjustment of the fees will be valued at the rates indicated in the proposal itself, taking into account the hours and the composition of the personnel required. Likewise, if less time is taken than expected, the fees will be reduced proportionally;
- to grant the Chairman of the Board of Directors and the Chief Executive Officer, severally and with the power to sub-delegate, a broad mandate to formalise the assignment of the above-mentioned offices and, more generally, to carry out all the initiatives resulting from the assumption and inherent to the implementation of this resolution.

Milan, March 27, 2020

The Board of Directors
By: Nicola Monti
Chief Executive Officer

PROPOSAL - RECOMMENDATION OF THE BOARD OF STATUTORY AUDITORS OF EDISON S.P.A. FOR THE ASSIGNMENT OF THE AUDIT ENGAGEMENT FOR THE PERIOD 2020-2028.

A. FOREWORD

The approval of the financial statements at December 31, 2019, marks the end of the engagement to audit the financial statements of Edison S.p.A. ("**Edison**" or the "**Company**"), currently entrusted to Deloitte & Touche S.p.A. ("**DT**"). Under current regulations, the audit engagement may not be re-assigned to the same audit firm. Consequently, Edison's Shareholders' Meeting, which is required to approve the financial statements at December 31, 2019, will be required to vote both on the choice of the Company's new Independent Auditors and on the determination of their compensation for the entire duration of their assignment, together with the relevant adjustment criteria.

B. THE REGULATORY FRAMEWORK. THE PURPOSE AND THE OBJECT OF THIS RECOMMENDATION

On a general level, the regulation of the statutory audit activity and the process of selection and appointment of a new auditor is contained in Legislative Decree 39/2010 (the "**Decree**"). Given that Edison falls within the category of Public Interest Entities ("**PIEs**"), to which Article 16, paragraph 1, letter a) of the Decree refers, the provisions contained in EU Regulation no. 537/2014 ("*Regulation on specific requirements relating to the statutory audit of public interest entities*"; the "**Regulation**"; see, in particular, Title III - *Engagement of statutory auditors or audit firms by Public Interest Entities*) also apply in this case.

Pursuant to art. 13 of the Decree "*... without prejudice to the fact that assignments by public interest entities are governed by art. 17, paragraph 1, of this decree and by art. 16 of the European Regulation, the shareholders' meeting, upon reasoned proposal of the supervisory body, shall appoint the statutory auditor and determine the fees due to the statutory auditor or the statutory auditing firm for the entire duration of the assignment and any criteria for adjusting such fees during the assignment*".¹

¹ Article 17, paragraph 1, of the Decree states that "*the statutory audit assignment has a duration of nine financial years for audit firms and seven financial years for statutory auditors. It may not be renewed or reappointed unless at least four financial years have elapsed since the date of termination of the previous appointment*".

Article 16 of the Regulation provides that "*the audit committee shall submit a recommendation to the administrative or supervisory body of the audited entity for the appointment of statutory auditors or audit firms. Except where it concerns the renewal of an audit engagement in accordance with Article 17(1) and (2), the recommendation shall be reasoned and shall contain at least two possible alternatives, and the audit committee shall express a duly justified preference for one of the two*".

Pursuant to Article 19, paragraph 2, of the Decree, the Internal Control and Audit Committee is identified, for companies that adopt - like Edison - the traditional governance model, as the Board of Statutory Auditors (*see* the Decree, Article 19, Section 2, Letter a).

Within the regulatory framework referred to in the main points of reference, Edison's Board of Statutory Auditors, availing itself of the Company's corporate structures, has prepared this document with the indication of "... *two possible award alternatives* " and "*a duly justified preference for one of the two*" to support the assessments and the resulting resolutions, to which, with regard to the specific profile concerning the choice of the Independent Auditors and the determination of the compensation, the next Shareholders' Meeting of the Company will be called.

C. THE SELECTION PROCEDURE AND EVALUATIONS OF THE BOARD OF STATUTORY AUDITORS

The Regulation provides that the proposal to the shareholders' meeting shall result from a "*selection procedure ordered by the audited entity*" (Regulation, art. 16). It is provided that "*the audited entity is free to invite any statutory auditor or audit firm*" provided that it is not precluded "*... in any way whatsoever from participating in the selection procedure by firms that received, in the previous calendar year, less than 15% of their total audit fees from public interest entities in the relevant Member State*" (Regulation, art. 16, paragraph 3, letter a).

It is also established that the "*audited entity is free to determine the selection procedure and may deal directly with interested bidders during the same procedure*" (Regulation, art. 16, paragraph 3, letter c).

Within the framework outlined, the selection procedure has moved along two lines.

First of all, certain aspects that characterise Edison's operations were taken into account and which, in the opinion of the Board of Statutory Auditors, are relevant to the selection of the Independent Auditors. The main ones can be summarised as follows: (i) the size of the Company; (ii) the number and importance of the shareholdings and the consequent

structure of the group headed up by the Company; *(iii)* the complexity of management processes; *(iv)* the fact that the performance of certain activities is regulated; *(v)* the geographical scope of the group and the need for coordination between the various companies in different countries.

With regard to the profiles mentioned above, with a view to launching the selection procedure as the only rational option, with the goal of ensuring, in the interest of all *stakeholders*, the highest level of quality in the auditing of Edison's financial statements, it was decided to request the proposal for the assignment to be formalised by the companies included in the main international auditing networks: PriceWaterhouseCoopers ('**PwC**'); Kpmg ('**KPMG**'); Ernst & Young ('**EY**'). However, prior to the start of the procedure, the latter company indicated to Edison's offices, and subsequently confirmed in writing, that it was not willing to participate in the procedure because of the numerous positions it held with Edison and its subsidiaries that could affect its independence and create situations of incompatibility.

Secondly, the Board of Statutory Auditors has found, in light of the experience gained, that the Audit Firm is often required by specific legal or regulatory provisions to carry out activities in addition to the statutory audit; in addition, there are activities, permitted by law, which can be entrusted to the appointed auditor (as well as to another auditor), and which evident efficiency and cost requirements suggest be allocated to the former. Consequently, the scope of the assignment was defined by the following activities: (a) statutory audit; (b) audit; (c) other activities structured as follows: (c.1) statutory engagements for regulatory requirements, other than statutory audit, which must be carried out by the statutory auditor; (c.2) statutory engagements for regulatory requirements, other than statutory audit, which may also be carried out by auditors other than the statutory auditor. The intention, ultimately, was to have an all-inclusive economic proposal available, contracted from the very beginning, in order to avoid it being necessary, in the actual performance of management, to define, from time to time, with the company appointed to conduct the audit, the fees for activities required by law or regulations, or for activities that obvious economic and cost requirements recommend be entrusted to the statutory auditor.

Lastly, the Board of Statutory Auditors, following discussions with the Company's departments, asked that the proposal be extended to companies that are being consolidated by Edison, for which the statutory audit assignment expires on approval of the financial statements at December 31, 2019. The choice was made for two reasons: in the wake of the most accredited professional guidelines that see the presence of a single auditor as a

factor of cohesion and improvement of the audit process, especially of the parent company; for obvious economic, efficiency and cost requirements of the audit activity.

Specifically, the presentation of an offer structured into two documents was requested:

- the **technical proposal** containing an accurate description of the methods of execution of the activities involved, the auditing standards used, the mix of hours envisaged by professional category and by activity, the number of persons employed by professional category, the professional categories making up the audit team, the head of the aforementioned team and all the CVs of the persons making up the audit team or otherwise involved in the activities, as well as, lastly, references;
- the **economic proposal** containing details of costs by activity and by company, summaries of costs by activity and by company, the hourly rate by professional category.

In particular, it was requested that the following elements be detailed in the offer. They formed the parameters on which the Board of Statutory Auditors based its assessments.

A. TECHNICAL/QUALITATIVE ASPECTS

- A.1. Technical skills of audit team and industry knowledge
 - CV of signatory partner - audit report
 - Senior Manager/Manager CV
 - Technical Department Quality
 - Years of experience (of which: years in the Energy sector) of the above-mentioned subjects (including the signatory partner); References
 - Level of knowledge of the Edison Group
- A.2. Organisation of Audit firm and its network
 - Offices and professionals in Italy
 - Offices and professionals outside Italy, particularly in the countries where Edison's foreign subsidiaries operate
 - Forecast Italian professionals at foreign subsidiaries
- A.3. Organisation of work
 - Methods of performance of the activities
 - Mix of professional figures employed
 - Effort of Signatory partner/Manager/Staff out of total effort (if not indicated in the previous point)
- A.4. Risks of non-independence and reputation (including sanctions for the last 3 years)

- A.5. System of identification and prior verification of the tasks to be performed within the same group of an EIP by the Company and its Network
- A.6. Managing the transition with the outgoing Auditor
- A.7. Workload of the Signatory Partner and Senior Manager
 - Number of tasks performed
 - Number of assignments in EIP
- A.8. Training
 - Total training hours of the Signatory partner
 - Total training hours for Senior Managers and Managers
 - Total hours of Professional staff training on number of staff members expected to be employed
- A.9. New technologies
 - Investments in new technologies (purchase and updating of audit software, other tools) in relation to turnover, in the last 3 years.

B. QUANTITATIVE ASPECTS

- B.1. Total Consideration by Company and Activity
- B.2. Out-of-pocket expenses.

At operational level, the selection process, systematically monitored by the Board of Statutory Auditors, began on October 25, 2019. The bids from KPMG and PwC were received and EY indicated its intention not to participate in the allocation procedure. Following receipt of the proposals, the Board of Statutory Auditors, after a preliminary examination of the proposals, also in discussion with the company structures, met with the heads of KPMG and PwC in special meetings, held on different days, for the in-depth analysis deemed necessary.

In economic terms, the offers received can be summarised as follows:

PwC: fees (in thousands) 2,410 euros (of which 945 attributable to Edison);
 KPMG: fees (in thousands) 1,871 euros (of which 690 attributable to Edison).

The amounts indicated above can be subdivided into the macro-classes of activities as follows:

<i>Amounts in Euros</i>	Fee	
	KPMG	PwC
Activity		
(a) statutory audit	1,505,400	1,925,090

<i>of which: Edison S.p.A.</i>	547,250	727,600
(b) audit	230,050	302,660
<i>of which: Edison S.p.A.</i>	77,000	136,000
(c) other activities	136,400	182,376
<i>of which: Edison S.p.A.</i>	66,000	81,600
Total	1,871,850	2,410,126
<i>of which: Edison S.p.A.</i>	690,250	945,200

The offers are diversified in various ways in terms of the composition of the teams (with regards to working hours to be divided between partners, managers, expert auditors and assistants), in terms of the number of total estimated hours and average fees.² These aspects were discussed in the sessions held with the heads of the companies.

Both offers provide for mechanisms for adjusting the compensation in proportion to the change in the ISTAT cost-of-living index, as well as an indication of the request for a supplement to the compensation in the event of events such as to determine a change in the contents of the activity carried out (such events include, for example, changes in the group structure and regulatory changes).

The Board of Statutory Auditors has positively evaluated the technical profiles of the proposals, considering them both worthy, despite their different composition and despite the presence of a different absolute value of the financial request, to be submitted to the Shareholders' Meeting for examination. In the analyses aimed at the judgement of preferability required by current legislation, the Board of Statutory Auditors has, in

² In consideration of the deferment of the disposal of the E&P sector, KPMG and PwC were asked for a quotation of the relevant fees, for the three macro-classes of activities already indicated, for the entire year 2020, in order to get an indication of the upper limit of the costs of auditing activities for the companies in the sector in question. These activities are obviously not included in the proposal referred to in the body of the text.

<i>Amounts in Euros</i>	Fee	
Activity	KPMG	PwC
(a) statutory audit	171,385	190,674
(b) audit	150,940	235,075
(c) other activities	3,170	4,460
Total	325,495	430,209

particular, considered the economic profile - after verifying the suitability of both proposals to meet the required quality standards, also thanks to interviews with the audit teams - and the independence profile. The special emphasis placed on the two profiles referenced herein led the Board to consider KPMG's proposal preferable, while being aware of the substantial qualitative alignment of the two proposals under examination and having appreciated the highly professional and rigorous conduct demonstrated by the two audit firms throughout the entire investigation process.

On February 10, 2020, the Board of Statutory Auditors concluded its preliminary investigation activities and, with a view to the proper dialogue between the corporate bodies, informed the Board of Directors of its determinations. Lastly, the Board of Statutory Auditors verified the results of its activity with the content of the final proposal formalised by KPMG, unchanged for the parent company Edison S.p.A., and with minor changes to the perimeter of the Group companies that do not impact the overall judgments already reached by the Board itself.

D. CONCLUSIONS

In conclusion, the Board of Statutory Auditors has not taken into account any of the circumstances indicated in Article 16, paragraph 6, of the Regulations:

- pursuant to Article 16, paragraph 2, of the Regulations and Article 13, paragraph 1, of the Decree, instructs Edison's Shareholders' Meeting to award the audit assignment for the 2020 - 2028 fiscal years to one of the following companies: KPMG S.p.A.; PwC S.p.A.;
- expresses its preference for the company KPMG S.p.A.

Milan, March 26, 2020

For the Board of Statutory Auditors

The Chairwoman

Serenella Rossi