



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

**Shareholders' Meeting  
March 31, 2021**

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*This document has been translated into English for the convenience of readers outside of Italy. The original Italian document should be considered the authoritative version.*

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 March, 31 2021– 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.

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## Calling to Shareholders' Meeting

(Published on February 26, 2021)

### **CALL NOTICE OF SHAREHOLDERS' MEETING**

The shareholders of Edison S.p.A. are called to a meeting, convened in ordinary and extraordinary session, in Milan, Foro Buonaparte 31 on

**Wednesday March 31, 2021, at 11.00 AM**

to resolve upon the following

#### **Agenda**

##### Ordinary session

##### **Financial Report**

1. Financial Statements at December 31, 2020.

##### **Report on compensation policy and on compensation paid**

2. "Section One" – Compensation policy regarding the period 2020-2021. Approval.
3. "Section Two" - Compensation paid in 2020. Advisory vote.

##### Extraordinary session

##### **Reduction of ordinary share capital and full coverage of losses**

4. Full coverage of existing losses at December 31, 2020 amounting to 917,752,585.05 euros by using the available reserves and part of the share capital represented by ordinary shares.
5. Reduction of share capital represented by ordinary shares for 640,883,421.00 euros through the cancellation of ordinary shares based on a ratio of 0.12167:1 for each share held, in service of the full coverage of losses, without re-incorporating the tax restrictions affecting the portion of the reduced share capital. Subsequent amendment of art. 5 (share capital) of the By-laws.

##### **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 Monday, March 29, 2021 (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 proxy/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 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-*undecies* of Legislative Decree no. 58/1998 and subsequent amendments ("TUF") (hereinafter the "**Appointed Representative**"), as permitted by Article 3, paragraph 6, of Legislative Decree no. 183 of December 31, 2020, which has extended the provision set out in Article 106, paragraph 4, of Legislative Decree no. 18 of March 17, 2020, converted into Law no. 27 of April 24, 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-*undecies* of the TUF, directly by the person holding the voting right (the "**Proxy 135-undecies**"), by filling in and signing the specific form, prepared by said Appointed Representative, in agreement with the Company, called "**Proxy Form 135-undecies**";
- or, in derogation of Article 135-*undecies*, 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/Sub-proxy 135-novies**"), by filling in and signing the specific form, prepared by said Appointed Representative, in agreement with the Company, called "**Proxy/Sub-proxy Form 135-novies**";

(hereinafter the **Proxy 135-undecies** and the **Proxy/Sub-proxy 135-novies**, together, the "**Proxy to the Appointed Representative**" and the **Proxy Form 135-undecies** and the **Proxy/Sub-proxy Form 135-novies**, together, the "**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/shareholders-meeting-2021>).

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 be sent to the Appointed Representative, accompanied by the **voting instructions** reserved to him, through one of the following alternative methods:

- a) **Registered Email Holders (PEC):** as an attachment document (PDF format) sent to [ufficiomilano@pecserviziotitoli.it](mailto:ufficiomilano@pecserviziotitoli.it) in the event that the Proxy Grantor (as Individual or as Legal Entity) is a Registered Email Holder;
- b) **Digital Signature Holders (FEA):** as an attachment document with digital signature sent to [ufficiomilano@pecserviziotitoli.it](mailto:ufficiomilano@pecserviziotitoli.it) in the event that the Proxy Grantor is a Digital Signature Holder;
- c) **Common Email address Holders:** as an attachment document (PDF format) sent to [ufficiomilano@pecserviziotitoli.it](mailto:ufficiomilano@pecserviziotitoli.it). In this case, the hard copy of the Proxy Form to the Appointed Representative shall be sent via ordinary mail service to Computershare S.p.A. via Lorenzo Mascheroni,19, 20145 Milano, as soon as possible.

The transmission of the Proxy to the Appointed Representative with methods and terms different than those mentioned above, as well as the only use of ordinary mail service, will not ensure to the delegating person or the sub-delegating person the correct submission of the Proxy to the Appointed Representative.

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 Proxy 135-*undecies*, 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 Monday, March 29, 2021**). The Proxy 135-*undecies* 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 Monday, March 29, 2021**).

The Proxy/Sub-proxy 135-*novies*, with the associated voting instructions, must be received **by Tuesday, March 30, 2021 at 12:00 p.m.**, without prejudice to the fact that Computershare may accept the Proxies/Sub-proxies 135-*novies* and/or instructions including after the above-mentioned term and until the opening of Shareholders' Meeting proceedings. The Proxy/Sub-proxy 135-*novies* and the associated voting instructions can be revoked by means of a written statement, provided with the same methods, within the opening of the Shareholders' Meeting proceedings.

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/shareholders-meeting-2021>).

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](mailto: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 therefore **by Monday March 8, 2021**, 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 Edison SpA 2021*")  
Foro Buonaparte, 31  
20121 MILAN – Italy;
- b) by means of a communication to the certified email address:  
[assemblea.azionisti@pec.edison.it](mailto: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 of **Monday March 8, 2021**, as specified above, 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 (therefore **by Tuesday, March 16, 2021**), 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/shareholders-meeting-2021>).

**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 Monday, March 22, 2021**. 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 - Domanda Assemblea Edison SpA 2021")

Foro Buonaparte, 31

20121 MILAN – Italy;

b) by means of a communication to the certified email address:  
[assemblea.azionisti@pec.edison.it](mailto: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 (at the date of **Monday, March 29, 2021 - Record Date**), are entitled to receive a response, by sending, within **Thursday, March 25, 2021**, the certification 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 March 29, 2021**, through publication in the appropriate section of the Company's website. The Company may provide a single response to questions with the same content.

**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/shareholders-meeting-2021> and in the authorised storage mechanism "eMarket Storage" ([www.emarketstorage.com](http://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 5,267,390,650 common shares and 109,610,021 savings shares, all with a par value of 1 euro each.

This notice is published on the Company website



(<https://www.edison.it/en/shareholders-meeting-2021>) 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](http://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](http://www.edison.it) (“Governance” / “2021 Ordinary and Extraordinary Shareholders’ Meeting / Shareholders’ Rights”).

Milan, February 26, 2021

The Board of Directors  
By: Nicola Monti  
*Chief Executive Officer*



# ORDINARY SESSION

## **FINANCIAL REPORT**

### **Item 1 on the Agenda**

#### **Financial statements at December 31, 2020**

*(Document published in the 2020 Annual Report)*

*Dear Shareholders,*

Your Company's separate financial statements at December 31, 2020 show a loss of 67,812,274.59 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 resolution.

#### **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, 2020, 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, 2020;

##### **resolves**

to approve the Company's separate financial statements for the year ended December 31, 2020, as a whole, and the individual items contained therein, which show a loss of 67,812,274.59 euros, rounded to 67,812,274 euros in the financial statements."

In relation to the methods of coverage of said loss, please refer to the motions to the extraordinary shareholders' meeting.

Milan, February 17, 2021

The Board of Directors  
By: Nicola Monti  
*Chief Executive Officer*

## **REPORT ON COMPENSATION POLICY AND ON COMPENSATION PAID**

### **Items 2 and 3 on the Agenda**

**“Section One” – Compensation policy regarding the period 2020-2021.  
Approval**

**“Section Two” - Compensation paid in 2020. Advisory vote**

*(Document published in the 2020 Corporate Governance Report)*

*Dear Shareholders,*

the report on compensation policy for the period 2020-2021 and on compensation paid by Your Company in 2020 (the **2020 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. The report was prepared in accordance with the guidance provided in Article 84-quarter, introduced by the Consob in the Issuers' Regulations for the purpose of implementing the TUF, as last amended by the Consob with Resolution No. 21623 of 10 December 2020. In addition, the principles set forth in Article 5 of the Corporate Governance Code for Listed Companies, 2020 edition, and the recommendations of the Corporate Governance Committee are adopted as general reference guidelines on compensation policies for this Report.

The Shareholders' meeting is required to:

- i) approve “Section One” of the 2020 Compensation Report, which outlines the compensation policies adopted by Your Company in 2020 and proposed for 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 2020 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 2020 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 2020 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 of the provisions set forth in Article 84-quater introduced by the Consob in the Issuers' Regulations, as last amended by the Consob with Resolution No. 21623 of 10 December 2020;
- having examined "Section One" and "Section Two" of the 2020 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;

### *resolves*

#### **SECOND RESOLUTION**

to approve "Section One" of the 2020 Compensation Report.

#### **THIRD RESOLUTION**

in favour of "Section Two" of the 2020 Compensation Report."

Milan, February 17, 2021

The Board of Directors  
By: Nicola Monti  
*Chief Executive Officer*

# EXTRAORDINARY SESSION

## **REDUCTION OF ORDINARY SHARE CAPITAL AND FULL COVERAGE OF LOSSES**

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

**Full coverage of existing losses at December 31, 2020 amounting to 917,752,585.05 euros by using the available reserves and part of the share capital represented by ordinary shares**

**Reduction of share capital represented by ordinary shares for 640,883,421.00 euros through the cancellation of ordinary shares based on a ratio of 0.12167:1 for each share held, in service of the full coverage of losses, without re-incorporating the tax restrictions affecting the portion of the reduced share capital. Subsequent amendment of art. 5 (share capital) of the By-laws**

*Dear Shareholders,*

this report is drafted in accordance with art. 125-ter of Legislative Decree no. 58 of February 24, 1998 and art. 72, paragraph 1-bis of Consob Regulation no. 11971 of May 14, 1999, as subsequently amended (Consob Regulation) and in compliance with Annex 3A of said Consob Regulation.

The report aims to illustrate the proposed reduction in share capital with the simultaneous coverage of losses as at December 31, 2020, pursuant to points 4 and 5 of the agenda of this shareholders' meeting.

The report will be made available to the public at the company's office, on its website ([www.edison.it](http://www.edison.it)) as well as on the authorised storage mechanism "eMarket Storage" at the address [www.emarketstorage.com](http://www.emarketstorage.com) in accordance with the terms set out in the regulatory provisions in force.

### **Reasons for the proposed reduction in share capital with the simultaneous coverage of losses**

It is a well-known fact the sale of Edison E&P, company in which almost all assets of the group in the hydrocarbons exploration and production sector (E&P) had been concentrated, which was followed, at the start of 2021, by the signing of an agreement with Sval Energi AS regarding the sale of Edison Norge AS, operating in E&P activities in Norway, substantially reduced Edison's industrial risk profile.

The strategy pursued by Edison is actually that of definitively abandoning the E&P sector, to focus on gradually supporting the growth of electrical production, with particular regard to that generated by renewable sources, maintain a critical and broadly diversified position in the supply of gas, and to operate in the gas and electricity sale sector, as well as related services and energy efficiency.

The significant progress made on its business risk front, also underlined by rating agencies, therefore justifies the decision to proceed with the partial downsizing of the

absolute value of Edison's share capital, so that the representation of the Company equity, also from a juridical perspective, is more aligned to the factual situation. Besides, the downsizing, which would not preclude the development needs of Edison's activities, would make it possible, at the same time, to eliminate the losses cumulated over the years.

It should be added that, over the course of the last year, Edison demonstrated significant resilience in the face of the adverse effects of the pandemic, having closed the year with an improved result when compared to the loss of the previous year, albeit still with a loss of approximately **67.8** million euros, compared, however, to a positive consolidated result of 19 million euros.

In this changed capital and economic situation for Edison, there are therefore major structural reasons for proposing, to the shareholders' meeting, a reduction of the absolute value of the share capital, also in order to help speed up the process of returning to dividend distribution. It should be pointed out, in this regard, that the last year to close with a profit and allow the payment of dividends was 2013.

Given that:

- the Company closed the separate financial statements as at December 31, 2020 with a loss of **67,812,274.59** euros;
- the loss for the year 2020, added to the accumulated losses of the previous years amounting to **849,940,310.46** euros, increased the total amount of losses to **917,752,585.05** euros (the "**Total Losses**");
- the available reserves reported in the financial statements as at December 31, 2020 totalled **276,869,564.66** euros (the "**Available Reserves**"), and therefore not sufficient for the full coverage of the Total Losses, with losses of **640,883,020.39** euros remaining (the "**Remaining Losses**"), as shown in the table below, which reports the breakdown of equity as at December 31, 2020:

<b>SHARE CAPITAL</b>	<b>12/31/2020</b>
Share capital	5,267,390,650.00
Share capital - savings shares	109,610,021.00
<b>TOTAL SHARE CAPITAL</b>	<b>5,377,000,671.00</b>
<b>RESERVES</b>	
Statutory reserve	2,757,953.97
Other reserves - merger surplus	221,710,485.31
Retained earnings	52,401,125.38
<b>TOTAL AVAILABLE RESERVES FOR COVERAGE OF LOSSES (A)</b>	<b>276,869,564.66</b>
<b>OTHER RESERVES (NOT CONSIDERED FOR THE PURPOSES OF COVERAGE OF THE LOSSES)</b>	
Gains (losses) from measurement of C.F.H. derivatives	41,036,949.69

Gains (losses) from measurement of C.F.H. derivatives (deferred tax liabilities)	(11,464,362.00)
<b>Total gains (losses) from measurement of derivatives</b>	<b>29,572,587.69</b>
<b>Actuarial gains (losses) (IAS 19)</b>	<b>(1,417,816.00)</b>
<b>TOTAL LOSSES</b>	
Accumulated losses	(849,940,310.46)
Loss for the year	(67,812,274.59)
<b>TOTAL LOSSES AS AT 12/31/2020 (B)</b>	<b>(917,752,585.05)</b>
<b>REMAINING LOSSES (B)-(A)</b>	<b>640,883,020.39</b>

Lastly, it should be noted that the reduction in share capital will help create the conditions to bring forward, in the presence of profits, the times for their distribution to shareholders with respect to those that would be required if the losses were to be fully absorbed using future profits.

The amount of the proposed share capital reduction is, in order to allow the balancing of the transaction, **640,883,421** euros, so that this reduction can be used in conjunction with the available reserves to fully cover the company's Total Losses as at December 31, 2020.

It should be underlined that art. 2446 of the Italian Civil Code does not apply to the proposed share capital reduction, given that the amount of losses, also taking into account the existing reserves, does not exceed one-third of the share capital.

For the sake of completeness, it should also be noted that the excess of the proposed reduction with respect to the amount strictly necessary for covering the losses is justified with, and is strictly dependent on, the need to ensure the reduction in share capital for a full value through the cancellation of shares with a par value of 1 euro; therefore, the transaction does not constitute a share capital reduction pursuant to art. 2445 of the Code.

### **Method of implementation of the share capital reduction**

As regards the methods of carrying out the share capital reduction proposed to the shareholders' meeting, taking into account that:

- Edison's share capital is divided into 5,267,390,650 ordinary shares and 109,610,021 savings shares, all with a unit par value of 1 euro;
- pursuant to art. 6, paragraph 2 of the By-laws, *"the reduction in the share capital to absorb losses does not cause the par value of savings shares to decrease except for the amount of the loss in excess of the aggregate par value of the other shares"*;



- the Remaining Losses that cannot be covered by using the Available Reserves amount to **640,883,020.39** euros and therefore, do not exceed the total par value of the ordinary shares of **5,267,390,650 euros**,

the reduction in share capital will concern solely ordinary shares and will be carried out through the cancellation of ordinary shares based on a ratio of **0.12167:1**, i.e. a fraction of share to be cancelled equal to 0.12167 for each share held, with a rounding down to the nearest unit of residual shares, except for what is specified below for holders of 1 share, for a total of **640,883,421** ordinary shares cancelled, corresponding to a total share capital reduction of **640,883,421.00** euros.

In this regard, it should be noted that any ordinary shares that should be issued after the voluntary conversion of savings shares, in exercise of the right recognised by art. 25 of the By-laws (non-payment of preferred dividend for the fifth consecutive year), whose conversion period concludes on March 31, 2021, will not be affected by the above reduction, because the issue of said ordinary shares will take place after the execution of the reduction resolution. The company will proceed, through subsequent communications, to indicate the date of execution of the reduction resolution, once it is registered at the competent Register of Companies, and of the material issue of the shares in service of the aforementioned reduction.

For more information on the voluntary conversion of the savings shares, please refer to the Directors' Report drafted in compliance with art. 72, paragraph 4 of Consob Regulation, available from the company's office, on its website ([www.edison.it](http://www.edison.it)), and on the authorised storage mechanism "eMarket Storage" at the address [www.emarketstorage.com](http://www.emarketstorage.com).

The total amount of the share capital reduction will then be used:

- for **640,883,020.39** euros, for the coverage of the Remaining Losses for a corresponding amount;
- for the remainder of **400.61** euros, for the creation of an available reserve.

The company will directly guarantee, through intermediaries, the service for the conversion to cash of the fractions exceeding the number of whole shares that need to be cancelled, represented by the share fraction that, due to the decimal reduction ratio, cannot be attributed to each shareholder, with the clarification that:

- a) the number of shares that remain post-reduction usually will be rounded down, except regarding the shareholders who are exclusively holders of just 1 ordinary share;
- b) the shareholders who are solely holders of 1 ordinary share will have the right to decide, at their own discretion, whether (i) to request to acquire, at no cost to them, the fraction of the ordinary share needed to maintain 1 share post-reduction, (and, that is, 0.12167 of share), or (ii) to request the payment of the fraction of the residual ordinary share post-reduction (and, that is, 0.87833 of share);
- c) Transalpina di Energia S.p.A., Edison's controlling shareholder, holder of 5,239,669,098 ordinary shares, equal to 99.474% of the capital represented by shares of said category, will take over, from the shareholders who so request it,

the above excess fractions of shares and will provide, free of charge, the share fraction equal to 0.12167 for the benefit of shareholders holding a solitary share who opt to retain their shareholder status.

The conversion to cash of the fractions will be carried out based on the unit price per share of **1.00** euro, corresponding to the pro rata value, calculated on the new number of reduced shares, of Edison's reported shareholders' equity at December 31, 2020.

It should also be noted that, since relating to the share capital subject to reduction,

- a tax restriction was imposed on a part, amounting to **192,082,921.49** euros, deriving from the recognition of deferred tax reserves pursuant to the following tax provisions: laws 576/1975, 72/1983 and 413/1991, as better detailed in the separate financial statements in the section "*Tax status of share capital and reserves in the event of repayment or distribution*", for which provision is made for taxation of the company unless used for the coverage of losses by means of a resolution of the extraordinary shareholders' meeting. This portion of the restricted share capital will be used in full to cover the losses;
- a tax restriction was imposed on a part, amounting to **588,626,751.51** euros, pursuant to art. 1, paragraph 469 of law 266/2005 (provision that envisaged the so-called realignment), based on which similar provision is made for the taxation of the company unless used for the coverage of losses by means of a resolution of the extraordinary shareholders' meeting. This portion of the share capital will be partially used, for an amount of **448,800,499.51** euros and, consequently, the remaining **139,826,252.00** euros will maintain the restriction pursuant to art. 1, paragraph 469 of law 266/2005;

it is proposed to the shareholders' meeting to resolve not to re-incorporate in the share capital the tax restricted amounts used to cover the losses.

### **Amendment of the By-laws and the Right of withdrawal**

The proposed reduction in share capital represented by ordinary shares from 5,267,390,650 to 4,626,507,229 euros, and therefore of the total share capital from 5,377,000,671.00 to 4,736,117,250.00 euros, requires the amendment of art. 5 of the By-laws, notwithstanding the remaining paragraphs remaining unchanged

<b>Text in force</b>	<b>Proposed text</b>
Art. 5 (Share Capital)	Art. 5 (Share Capital)
1. The share capital amounts to 5,377,000,671.00 euros, divided into 5,377,000,671 shares, of which 5,267,390,650 ordinary shares and 109,610,021 savings shares, all with a unit par value of 1 (one) euro.	1. The share capital amounts to 4,736,117,250.00 euros, divided into 4,736,117,250 shares, of which 4,626,507,229 ordinary shares and 109,610,021 savings shares, all with a unit par value of 1 (one) euro.

The aforementioned amendment to the By-laws does not attribute the right of withdrawal to the company's shareholders, given none of the conditions set out in art. 2437 of the Italian Civil Code are satisfied.

## Methods of coverage of Total Losses

Taking account of the elements presented above, the coverage of the Total Losses reported in the financial statements as at December 31, 2020 of **917,752,585.05** euros proposed to the shareholders' meeting will take place in the following manner:

- for **52,401,125.38** euros through the full use of retained earnings;
- for **221,710,485.31** euros through the use of other reserves - merger surplus;
- for **2,757,953.97** euros through the use of the statutory reserve;
- for **640,883,020.39** euros through the use of the share capital represented solely by ordinary shares.

Now, therefore, if you agree with the proposal, you are invited to pass the following resolutions.

### Proposed resolutions to the shareholders' meeting

#### *FOURTH RESOLUTION - Extraordinary shareholders' meeting*

*"The shareholders' meeting,*

- having examined the Board of Directors' Report on the item;
- having acknowledged that the financial statements for the year ended as at December 31, 2020, approved by this shareholders' meeting, closed with a loss of **67,812,274.59** euros which, taking into account the previous losses, raise the Total Losses at said date to **917,752,585.05** euros;
- having acknowledged that, in the financial statements for the year ended as at December 31, 2020, the available reserves for the coverage of losses, net of the positive reserves from the valuation of derivatives and negative actuarial reserves, came to a total of **276,869,564.66** euros, broken down as follows:

<b>Reserve</b>	<b>Amount</b>
Retained earnings	52,401,125.38
Reserve from merger by incorporation	221,710,485.31
Statutory reserve	2,757,953.97
<b>Total available reserves for coverage of losses</b>	<b>276,869,564.66</b>

*resolves*

- to cover the Total Losses of **917,752,585.05** euros, subject to, and with effectiveness from, execution of the reduction in share capital represented by ordinary shares referred to in subsequent resolution no. 5 through the use of:
  - the retained earnings reserve for **52,401,125.38** euros;
  - the merger by incorporation reserve for **221,710,485.31** euros;
  - the statutory reserve for **2,757,953.97** euros;
  - share capital represented by ordinary shares for **640,833,020.39** euros;
- to delegate to the Board of Directors and, on behalf of it, to the pro-tempore legal representatives, separately between them, all the necessary powers to implement the resolution above subject to, and with effectiveness from, execution of the reduction in share capital referred to in subsequent resolution no. 5.

#### ***FIFTH RESOLUTION – Extraordinary shareholders’ meeting***

##### ***“The shareholders’ meeting,***

- having examined the Board of Directors’ Report on the item;
- having acknowledged that, the Available Reserves do not allow the full coverage of losses at December 31, 2020;
- having acknowledged that the Remaining Losses amount to a total of **640,883,020.39** euros;
- having acknowledged the declaration of the Board of Statutory Auditors that the share capital is fully subscribed and paid-up;

##### ***resolves***

- to reduce the share capital represented by ordinary shares for **640,883,421.00** euros as follows:
  - through the cancellation of ordinary shares based on a ratio of **0.12167** share for **each 1** share held, for a total of **640,883,421** shares, corresponding to **640,883,421.00** euros, and therefore with the reduction of total share capital represented by ordinary shares from **5,267,390,650.00** euros to **4,626,507,229.00** euros;
  - and attributing the portion of the share capital reduction that remains after the coverage of losses pursuant to the resolution of previous point 4 (and up to the amount of **400.61** euros) to an available reserve to which the tax restriction pursuant to art. 1, paragraph 469 of law 266/2005 is transferred;

- not to re-establish the restriction on the share capital used to cover the losses for the part attributable to the restricted capital pursuant to laws 576/1975, 72/1983 and 413/1991, amounting to **192,082,921.49** euros, and in accordance with law 266/2005, equal to **448,800,499.51** euros, the restriction pursuant to law 266/2005 continuing to remain on the residual amount of **139,826,252.00** euros;
- to amend art. 5 of the company By-laws as follows:

<b>Text in force</b>	<b>Proposed text</b>
Art. 5 (Share Capital)	Art. 5 (Share Capital)
1. The share capital amounts to 5,377,000,671.00 euros, divided into 5,377,000,671 shares, of which 5,267,390,650 ordinary shares and 109,610,021 savings shares, all with a unit par value of 1 (one) euro.	1. The share capital amounts to 4,736,117,250.00 euros, divided into 4,736,117,250 shares, of which 4,626,507,229 ordinary shares and 109,610,021 savings shares, all with a unit par value of 1 (one) euro.

- to delegate to the Board of Directors and, on behalf of it, to the pro-tempore legal representatives, separately between them, all the necessary powers to implement the resolutions passed and also the resolved cancellation of shares, establishing their methods and terms;
- to delegate to the Board of Directors and, on behalf of it, to the pro-tempore legal representatives, all the powers to introduce to the above resolutions any amendments/additions that are necessary and/or appropriate, also as a result of a request from any competent authority or for the purposes of filing in the Register of Companies or for filing the By-laws in the competent Register of Companies, updating the numerical expressions of the share capital and the shares.

Milan, February 17, 2021

On behalf of the Board of Directors  
*Chief Executive Officer*  
 Nicola Monti

**Declaration of the Officer responsible for preparing the corporate accounting documents**

The undersigned Didier Calvez and Roberto Buccelli, in their capacity as Officers responsible for preparing the corporate accounting documents of Edison S.p.A., hereby declare, pursuant to art. 154-*bis*, paragraph 2, TUF, as subsequently amended and supplemented, that the accounting disclosure contained in this Report of the Board of Directors, drafted in accordance with art. 125-*ter* of the TUF and art. 72, paragraph 1-*bis* of Consob Regulation no. 11971 of May 14, 1999, as subsequently amended, and in compliance with Annex 3A of said Consob Regulation, corresponds to the documentary results, the books and the accounting records.

Milan, February 17, 2021

The Corporate Accounting Documents Officers

Didier Calvez

Roberto Buccelli