

REPORT OF THE BOARD OF STATUTORY AUDITORS
TO THE SHAREHOLDERS' MEETING OF EDISON S.P.A.
PURSUANT TO ART. 153 OF LEGISLATIVE DECREE NO. 58/1998

Dear Shareholders,

In the year ended December 31, 2019, the Board of Statutory Auditors of Edison S.p.A. (hereinafter the "Company" or "Edison") carried out its oversight activities pursuant to law, performing its work in accordance with the pronouncements published by the Consob concerning corporate controls and the activities of the Board of Statutory Auditors and taking into account the rules of conduct for Boards of Statutory Auditors recommended by the Italian Board of Certified Public Accountants and Accounting Experts. This report was prepared in accordance with the guidelines provided by the Consob in Communication DAC/RM/97001574 of February 20, 1997 and Communication DEM/1025564 of April 6, 2001, as amended and integrated by Communication DEM/3021582 of April 4, 2003 and Communication DEM/6031329 of April 7, 2006.

The Board of Statutory Auditors in office was appointed by the Shareholders' Meeting of March 30, 2017 in compliance with laws, regulations and Bylaws in force, and will end its term of office with the Shareholder's Meeting called to approve the financial statements at December 31, 2019.

The members of the Board of Statutory Auditors are in compliance with the limit on the number of governance posts held set forth in art. 144-*terdecies* of the Issuers' Regulations.

The engagement to audit the accounts of the Company is performed by Deloitte & Touche S.p.A. (the "Independent Auditors") pursuant to an assignment awarded for nine years (2011-2019) by the Shareholders' Meeting on April 26, 2011.

With regard to the performance, in the course of the year, of the activities under its jurisdiction, the Board of Statutory Auditors declares that:

- It participated in the Ordinary Shareholders' Meeting of April 2, 2019 and in the meetings called by the Company's Board of Directors, obtaining from the directors, in compliance with art. 150, paragraph 1 of Legislative Decree No. 58/1998, adequate information about the Company's operating performance and business outlook, as well as about transactions executed by the Company and its subsidiaries that qualified as highly material, because of their size and characteristics;

- It obtained the information needed to perform the activities required to verify compliance with the law, the Bylaws and the principles of correct management and the adequacy of the Company's organisational structure through documents and information received from managers of the relevant company departments and periodic exchanges of information with the Independent Auditors;
- Through its Chairman or another member at a minimum, it participated in the meetings called by the Control and Risk Committee, during which it received information about the activity carried out;
- Through its Chairman or another member as a minimum, it also participated in the meetings of the Compensation Committee and the Oversight Board as well as those of the Committee of Related-Party Transactions;
- It monitored the working and effectiveness of the system of internal controls and the adequacy of the administrative and accounting system, specifically with regard to the latter's reliability in presenting the results from operations;
- It promptly exchanged significant data and information with the managers of the Independent Auditors for the performance of the respective duties pursuant to art. 150 of Legislative Decree No. 58/1998, also by examining the results of the work carried out and the receipt of the reports established in art. 14 of Legislative Decree No. 39/2010 and art. 11 of EU Regulation No. 537/2014;
- It examined the content of the additional report pursuant to art. 11 of EU Regulation No. 537/2014, which was sent to the Board of Directors and did not highlight any aspects that need to be mentioned in this report;
- It monitored the functionality of the control system for Group companies and the adequacy of the instructions given to them, also pursuant to art. 114, paragraph 2, of Legislative Decree No. 58/1998;
- It was informed of the preparation of the Compensation Report required pursuant to art. 123-ter of Legislative Decree No. 58/1998 and art. 84-*quater* of the Issuers' Regulations and has no remarks to make in this regard;
- It ascertained that the provisions of the Bylaws were in compliance with statutory and regulatory requirements;

- It monitored the concreted methods deployed to implement the corporate governance rules adopted by the Company in accordance with the Corporate Governance Code for listed companies promoted by Borsa Italiana S.p.A.;
- It ensured that the internal procedure concerning related-party transactions was consistent with the principles set forth in the Regulation approved by the Consob with Resolution No. 17221 of March 12, 2010, as amended, and that the abovementioned procedure was being complied with, pursuant to art. 4, paragraph 6, of the abovementioned Regulation;
- It monitored the corporate information process and verified compliance by the Directors with the procedural rules governing the preparation, approval and publication of the separate and consolidated financial statements;
- It ascertained the methodological adequacy of the impairment process applied to determine whether any company assets listed on the balance sheet were impaired;
- It verified that the 2019 Report of the Board of Directors on Operations complied with current laws and regulations and was consistent with the resolutions adopted by the Board of Directors and the facts presented in the separate and consolidated financial statements;
- It acknowledged the content of the semi-annual consolidated report, with no need to express any remarks, ascertaining the publication of the report according to the methods set forth by law;
- It was informed that the Company is continuing to publish, on a voluntary basis, quarterly reports by the deadlines required under the old regulations;
- It also acted as an Internal Control and Audit Committee, pursuant to art. 19, paragraph 1 of Legislative Decree No. 39/2010, as amended by Legislative Decree No. 135/2016, and in this capacity performed the specific information, monitoring, control and review functions set forth therein, fulfilling all of the obligations and tasks required by the abovementioned regulation;
- It also performed, in its role as Internal Control and Audit Committee, the activities under its responsibility required to carry out the selection process to assign the audit engagement, pursuant to art. 16 of EU Regulation No. 537/2014, formulating the justified proposal to the Shareholders' Meeting pursuant to art. 13 of Legislative Decree No. 39/2010;
- It supervised observance with the provisions laid out in Legislative Decree No. 254/2016, and examined, inter alia, the consolidated non-financial disclosure, ascertaining compliance with the provisions governing its preparation pursuant to the abovementioned decree;

- It monitored observance of the disclosure obligations on regulated or privileged information or information requested by the regulatory authorities, ascertaining that each of the Company's bodies and functions has met the disclosure obligations set forth by applicable regulations;
- It reviewed the draft separate financial statements and the draft consolidated financial statements as well as the transactions with a greater material impact on the Company's income statement, balance sheet and financial position, including related party transactions or transactions with a potential conflict of interests.

In the course of its oversight activities, which the Board of Statutory Auditors carried out in the manner described above, based on the information and the data obtained, no facts were uncovered indicating failures to comply with the applicable laws and the Articles of Incorporation or otherwise requiring disclosure to the regulatory authorities or mention in this report, except for what is specified in par. 6 of this Report, to which reference is made.

* * *

The additional disclosures that must be provided pursuant to Consob Communication DEM/1025564 of April 6, 2001, as subsequently updated, are listed below:

1. Amongst the events specified by the Company in the Directors' Report on Operations please take note of the following transactions with a greater material impact on the Company's income statement, balance sheet and financial position executed in 2019, including those implemented through subsidiaries:

- In March 2019, Edison started to build a new latest generation gas-powered combined cycle plant at the Marghera Levante thermoelectric plant, for a total investment of roughly 300 million euros, inclusive of the costs to install a power island including a new high-efficiency gas turbine;
- On May 13, 2019, Edison Exploration & Production and Eni commenced activities to develop gas reserves in the G.C1.AG concession, of which Edison holds 40% of the shares and Eni 60%, with a total investment of roughly 700 million euros;
- On June 19, 2019, the Edison Board of Directors approved a well-structured industrial operation for the consolidation and strengthening of the Edison Group in the renewable energy sector, which calls for, as the first step, Edison to acquire the entire share capital of EDF EN Italia from EDF Renouvelables SA, wholly owned by and a direct subsidiary of EDF SA. The process of acquiring the entire share capital of EDF EN Italia concluded on July 17, 2019, with a final consideration of 182.6 million euros;

- On July 3, 2019, the Edison Board of Directors approved the signing of an agreement, entered into on July 4, 2019, with Energean Oil and Gas for the sale of 100% of Edison Exploration and Production Spa (Edison E&P) and its equity investments in the hydrocarbon exploration and production sector (oil and natural gas). The consideration for the transaction was determined on the basis of an enterprise value of 750 million dollars and an additional consideration of 100 million dollars when production begins at the Cassiopea gas field in Italy, as well as the recognition of royalties associated with additional potential developments in Egypt. The transaction also includes the transfer to the purchaser of future decommissioning obligations. The closing of the transaction with Energean Oil and Gas, initially planned by the end of 2019, has not yet taken place, as the Algerian authorities denied the necessary authorisations to proceed with the sale to Energean Oil and Gas of the assets located in Algeria. On April 2, 2020, the Company's Board of Directors approved several amendments to the terms of the abovementioned agreement entered into with Energean Oil and Gas on July 4, 2019, specifically excluding from the scope of the transaction the assets of Edison E&P located in Algeria, which will continue to be owned by the Edison Group until market conditions allow them to be fully developed. The enterprise value of the transaction remains confirmed at 750 million dollars, and the additional consideration relating to the Cassiopea field set forth in the original contract also remains confirmed. In addition, limited effects in terms of reducing the consideration have been agreed upon due to the exclusion of the valuation of certain tax benefits of doubtful recoverability and the exclusion of the calculation of interest in the interim period. The overall effect of the transaction is estimated at a lower benefit of approximately 150 million dollars in terms of the change of the net financial position of Edison;
- On October 29, 2019, the Edison Board of Directors approved the investment project relating to the construction, at the Presenzano site, of a latest generation, high efficiency combined cycle plant with a total investment of 370 million euros, also approving the signing of an EPC (Engineering Procurement Construction) contract with Ansaldo Energia to make the investment;
- On November 12, 2019, Edison and Sonatrach (national hydrocarbons company in Algeria) reached an agreement to extend the existing gas supply contract until 2027. This agreement is intended to guarantee to Edison the supply of one billion cubic metres of gas per year from Algeria, for a period of eight years;
- On December 19, 2019, the Edison Board of Directors approved the signing of an agreement for the acquisition from EDF Renouvelables Services SAS of 70% of the share capital of EDF EN Services Italia S.r.l., a company operating in the Operation & Maintenance and Asset Management

service sector for plants that generate electricity from renewable energies, for a consideration not to exceed 18.2 million euros, thus becoming its sole shareholder.

Based on the information supplied by the Company and data obtained regarding the transactions described above, the Board of Statutory Auditors ascertained that they were consistent with the provisions of the applicable laws, the Articles of Incorporation and the principles of sound management, making sure that they were not patently imprudent or reckless, potentially entailing conflicts of interest, in violation of the resolutions adopted by the Shareholders' Meeting or capable of impairing the integrity of the Company's assets.

2. In the course of its reviews, the Board of Statutory Auditors did not identify any transactions that were atypical and/or unusual, as defined in Consob Communication DEM/6064293 of July 28, 2006. The Board of Statutory auditors acknowledges that the information provided in the Financial Report regarding significant non-recurring events and transactions and atypical and/or unusual transactions, including intercompany or related-party transactions, is adequate.

3. The characteristics of intercompany and related-party transactions executed by the Company and its subsidiaries in 2019, the parties involved and their financial effects are explained in the sections of the 2019 separate financial statements and consolidated financial statements entitled "Intercompany and Related-party Transactions," which should be consulted for additional information.

The Board of Statutory Auditors believes that information provided in the manner mentioned above about the abovementioned transactions is adequate overall and that, based on the information acquired in carrying out its activities, the transactions in question appear to be fair and in the Company's interest.

Related-party transactions are governed by an internal procedure (the "Related-Party Procedure") adopted by the Company's Board of Directors on December 3, 2010, as required by Article 2391-*bis* of the Italian Civil Code and the provisions issued by Consob. The Board of Statutory Auditors reviewed the Related-Party Procedure, verifying that it was compliant with the principles set forth in the Regulation approved by Consob Resolution No. 17221 of March 12, 2010, as amended and interpreted by Resolution No. 78683 of September 24, 2010.

In the course of the year 2019, the Board of Directors of the Company approved a related-party transaction qualifiable as "Highly Material" pursuant to the abovementioned Related-Party

Procedure, relating to the acquisition of EDF EN Italia from EDF Renouvelables SA, a description of which is provided above in par. 1.

In addition, in the course of the same year, the Board of Directors of the Company approved four related-party transactions qualifiable as “Less Material” pursuant to the abovementioned Related-Party Procedure. Of these, two transactions are included within the scope of the project to strengthen and consolidate the Edison Group in the renewable energy sector and are intended to perform two capital increases reserved to EDF Renouvelables SA, respectively in New Eper - the company deriving from the incorporation of EDF EN Italia into EPER - and in FV Holding - a company dedicated to the photovoltaics sector - with the simultaneous repayment of several loans outstanding with EDF Renouvelables SA. At the date of this report, these transactions had not yet been carried out.

The other two Less Material related-party transactions approved in 2019 regard: 3) the participation of Edison and its subsidiaries in the tax consolidation headed up by Transalpina di Energia; 4) the acquisition of 70% of the share capital of EDF EN Services Italia S.r.l. from EDF Renouvelables Services SAS.

Both of the abovementioned transactions were implemented in 2019.

In 2019, the Company also carried out other transactions with related parties that qualified as “Ordinary Transactions” pursuant to the Related-Party Procedure.

For all of the abovementioned transactions, the Board of Statutory Auditors confirmed observance of the substantial and procedural provisions of the Related-Party Procedure.

After the closure of the 2019 financial year, the Edison Board of Directors approved two additional related-party transactions, namely: 1) a Less Material transaction with a related party, consisting of the repayment by Bonorva Wild Energy s.r.l. of the 81 million euros loan outstanding with EDF Investissements Groupe SA, a subsidiary company of EDF SA; 2) a transaction on the remuneration of directors who perform special functions, consisting of the redetermination and overall restructuring of the pay package of the Chief Executive Officer based on which a variable medium-term pay component was introduced with a weight equal to 15% of total remuneration, against a reduction in the fixed component as well as in the annual variable component, which resulted in a reduction of 30% in the overall annual pay package.

Also for these transactions, the Board of Statutory Auditors confirmed observance of the substantial and procedural provisions of the Related-Party Procedure.

4. On February 26, 2020, the Independent Auditors issued the reports required by art. 14 of Legislative Decree No. 39/2010 and art. 10 of EU Regulation No. 537/2014, which certified that:

- the separate financial statements of the Company and the consolidated financial statements of the Group at December 31, 2019 provide a true and fair view of the balance sheet and the income and cash flows for the year ending at that date in compliance with the International Financial Reporting Standards adopted by the European Union, as well as the measures issued in implementation of art. 9 of Legislative Decree No. 38/2005;

- the Directors' Report on Operations and some specific information set forth in the Report on Corporate Governance and the Company's Ownership Structure specified in art. 123-bis, paragraph 4 of Legislative Decree No. 58/1998 are consistent with the Company's separate financial statements and the Group's consolidated financial statements and drawn up in compliance with the law;

- the opinion on the separate and consolidated financial statements expressed in the abovementioned reports is aligned with what is specified in the additional report prepared pursuant to art. 11 of EU Regulation No. 537/2014.

In the report on the audit of the consolidated financial statements, the Independent Auditors also declared that they had verified the approval by Edison's Directors of the Non-Financial Disclosure relating to the year 2019.

The abovementioned reports of the Independent Auditors do not contain any qualifications or disclosure requests or statements issued pursuant to art. 14, paragraph 2, letters d) and e) of Legislative Decree No. 39/2010.

On February 26, 2020, the Independent Auditors also:

- issued the additional report established by art. 11 of EU Regulation No. 537/2014, sent to the Board of Statutory Auditors, as the Internal Control and Audit Committee, on February 27, 2020, which promptly sent it to the administration body with no particular observations;

- issued, pursuant to art. 3, paragraph 10 of Legislative Decree No. 254/2016 and art. 5 of Consob Regulation 20267/2018, the certification of compliance of the consolidated non-financial disclosure prepared by the Company with what is required by the abovementioned Decree and the principles and methodologies used by the Company to prepare the disclosure in question. In that report, the Independent Auditors declared that nothing had come to their attention that would lead them to

believe that the Edison Group's non-financial disclosure for the year ending on December 31, 2019 was not drafted, with regard to all significant aspects, in compliance with the requirements of art. 3 and 4 of Legislative Decree No. 254/2016 and the selected GRI Standards.

Also on February 26, 2020, the Independent Auditors issued the annual confirmation of their independence pursuant to art. 6, par. 2), letter a) of EU Regulation No. 537/2014, which was sent to the Board of Statutory Auditors on February 27, 2020.

No issues requiring mention in this report were uncovered in the course of the regular meetings that the Board of Statutory Auditors held with the Independent Auditors, as required by art. 150, paragraph 3, of Legislative Decree No. 58/1998.

In addition, the Board of Statutory Auditors did not receive disclosures from the Independent Auditors on facts deemed objectionable identified in the performance of their auditing activities on the separate and consolidated financial statements.

At the date of the Shareholders' Meeting called to approve the financial statements at December 31, 2019, the audit engagement currently being performed by Deloitte & Touche S.p.A. will come to an end. In the course of 2019, the Company activated the procedure for the selection of the new auditor in compliance with the rules and criteria laid out in art. 16 of EU Regulation No. 537/2014. In compliance with what is laid out in that provision, the Board of Statutory Auditors, in its role as the Internal Control and Audit Committee, monitored the performance of that selection procedure, verifying its accuracy and compliance with applicable regulations, and formulated its recommendation-proposal to the Shareholders' Meeting for the appointment of the new auditor pursuant to art. 16 of EU Regulation No. 537/2014 and art. 13, paragraph 1, of Legislative Decree No. 39/2010.

5. In the course of 2019, the Board of Statutory Auditors received two communications, neither of which was formally qualified by those reporting as a complaint pursuant to art. 2408 of the Italian Civil Code. Nonetheless, the Board of Statutory Auditors decided, due to the content of the abovementioned communications and the requests that were also indirectly made to it, to deem them equivalent to complaints and to assess them, taking a prudential approach, by following the requirements laid out in art. 2408 of the Italian Civil Code.

The first of such communications to be received was sent to the Company on February 15, 2019, with a carbon copy also sent to its Board of Statutory Auditors at the registered office, to the common representative of savings shareholders and to Consob, by a shareholder holding 120,000

savings shares of the Company and was transmitted to the Board of Statutory Auditors by the Company's offices on February 25, 2019. In that communication, the shareholder expressed disappointment due to the fact that no preferred dividend had been distributed to savings shareholders; he asked the Company for information about a possible return on the Edison common shares at the market listing price; he noted that the Company's proposal for the voluntary conversion of savings shares into common shares was unconvincing; he expressed perplexity as to the profitability of the Company and the absence of legal prerequisites (losses in the financial statements) for the distribution of dividends. He also complained of a lack of information sent by the Company to savings shareholders on the methods for exercising the conversion right, as well as the inconsistency of the relative term and the lack, on the Company's website, of certain information regarding Edison's future investments in the renewable energy sector, which was provided by its Chief Executive Officer in an interview in a national daily newspaper on February 15, 2019. With respect to such communication, the Board of Statutory Auditors performed all investigations and verifications required to evaluate the grounds of the findings contained in it, speaking with the company functions concerned and examining the documentation of potential interest.

After these evaluations, the Board of Statutory Auditors identified no irregularities. Indeed, it confirmed the effective absence of prerequisites for the distribution of dividends in the period of time subject to the complaint, the comprehensiveness and adequacy of the information provided by the Company to savings shareholders on the terms and methods for participating in the voluntary conversion of savings shares into common shares - in compliance with scheme 6 of annex 3 of the Issuers' Regulations - as well as the consistency of the term granted for the exercise of the conversion right. Lastly, it found that the information provided by the Chief Executive Officer of the Company in the interview with the national daily newspaper on February 15, 2019, referred to by the shareholder, did not currently meet requirements to be subject to a press release obligation pursuant to applicable regulations.

The Board of Statutory Auditors also provided the necessary clarifications to the shareholder by means of a written communication dated March 27, 2019, sent via registered letter with advice of receipt and also sent in carbon copy, via certified email, to the Company, Consob and the common representative of savings shareholders, describing the checks performed and the conclusions reached.

On February 27, 2019, the Board of Statutory Auditors received a second communication signed by the common representative of savings shareholders, which complained of: 1) Edison's failure to provide a declaration on its subjection to management and coordination activities by EDF SA - on the basis of the presumption pursuant to art. 2497-*sexies* of the Italian Civil Code - and its breach of the ensuing information and governance obligations pursuant to arts. 2497 et seq. of the Italian Civil Code, art. 16 of the Consob Markets Regulation and art. 2.6.2 of the Borsa Italiana S.p.A. Markets Regulation; 2) the lack of justification, in the Report on Operations attached to the 2018 Edison financial statements, concerning the existence of elements establishing the contrary, capable of overcoming the abovementioned legal presumption; 3) the suitability of the failure reported to impact the financial statements submitted to the Shareholders' Meeting of the Company on April 2, 2019, making them unsuitable to provide a true view to the market.

On the complaints of the representative relating to the Company's failure to declare its alleged subjection to management and coordination by the parent company EDF SA, the Board of Statutory Auditors performed its assessments on the basis of the results of the monitoring activity constantly performed in the course of its term of office on relations between Edison and the parent company EDF SA by examining the documents and interactions with the company functions concerned, as well as with the senior management of the Company, in order to ascertain the existence or any establishment of management activity by EDF SA over Edison. In light of the detailed checks performed, the Board of Statutory Auditors did not identify elements from which it could infer the existence of that situation of management of Edison by EDF SA, as Edison's strategic, organisational and management decisions are taken autonomously and do not depend on instructions or directives provided by the parent company EDF SA, with an approach oriented towards the pursuit of a common purpose, which is typically how the management and coordination of companies pursuant to arts. 2497 et seq. of the Italian Civil Code is expressed. Therefore, the Board of Statutory Auditors did not identify any elements of non-compliance with regulations in force in the Company's conduct, as it confirmed the non-applicability to the case in question of the provisions on the management and coordination of companies referred to by the representative.

As regards the Company's fulfilment of the requirement to justify the absence of its subjection to management and coordination activities by the parent company EDF SA (through Transalpina di Energia), the Board of Statutory Auditors found that this justification is provided by the Company in the Report on corporate governance and the company's ownership structure, which represents a specific section of the Report on Operations pursuant to art. 123-*bis*, paragraph 1, of Legislative

Decree No. 58/1998 and that, with regard to the year 2018, that justification was provided on page 14 of the Report on corporate governance and the company's ownership structure attached to the 2018 financial statements, approved by the Company's Board of Directors at its meeting held on February 14, 2019. The Board of Statutory Auditors also confirmed the consistency and the adequacy of that justification as it was based on elements to be deemed salient in excluding the existence of management and coordination of the company, elements verified by the Board of Statutory Auditors and consisting of the autonomy enjoyed by the Company in drafting its own strategic planning, in setting up its own internal organisation and its specific responsibilities that are completely independent of those of EDF SA.

The Board of Statutory Auditors informed the representative of the checks performed and their results, with a communication sent on March 15, 2019 via certified email. This communication was sent in carbon copy on the same date to Consob as well, by the same means.

The Board of Statutory Auditors also informed the Ordinary Shareholders' Meeting on April 2, 2019 of the receipt of the abovementioned communications and the results of the checks performed, while not deeming in any event that the requirements were met for the application of what is set forth in the joint provisions of art. 2408, paragraph 2 of the Italian Civil Code and art. 2406 of the Italian Civil Code.

On July 1, 2019, the Company received a summons in which the common representative of savings shareholders called the Company before the Court of Milan, requesting that it *"- confirm and declare Edison's subjection to the management and coordination activities of EDF; - declare the nullity of the resolution of April 2, 2019 whereby the Shareholders' Meeting of Edison approved its financial statements relating to the year 2018 or, alternatively, cancel that resolution with all appropriate ensuing measures; - declare that Edison is in breach of its obligation to adequately justify its strategic decisions given the management and coordination activities carried out by EDF and as a result declare the nullity of the resolution dated June 19, 2019 whereby the Edison S.p.A. Board of Directors approved the acquisition of the share capital of EDF EN Italia or, alternatively, cancel that resolution with all appropriate ensuing measures"*.

In relation to those proceedings, the hearing for the appearance of the parties was scheduled, pursuant to art. 183 of the Italian Code of Civil Procedure.

The Board of Statutory Auditors evaluated the demands and allegations set forth in the summons sent to the Company by the common representative of savings shareholders in light of the previous checks performed by this Board, in the previous as well as its current composition, on the

matter of relations between Edison and the parent company EDF SA, in relation to the management and coordination of the company, and performed additional investigations on the aspects subject to the claims set forth in the summons.

After the additional checks and legal investigations performed, the Board of Statutory Auditors did not identify any elements that could modify the conclusions it had already reached in its previous audit and assessment activities carried out on this matter.

6. On January 17, 2020, the Board of Statutory Auditors sent Consob a communication, also pursuant to art. 149, paragraph 3 of Legislative Decree No. 58/1998, in order to inform the Authority of the results of the checks performed in relation to fraud, for a value of roughly 12.5 million euros, perpetrated through the abuse of IT instruments which involved the company Edison Norge A.S., an indirect subsidiary of Edison, and which gave rise to unlawful transfers of money from Edison Norge A.S. in favour of foreign companies. This fraud was intercepted by the company structures not long after the first undue movements of money to the foreign accounts took place. Edison immediately reported the fraud to the competent judicial authorities. The investigations performed by the police and by the Norwegian judicial authority, as well as the checks carried out by Edison with the support of a specialised external company, did not bring to light any involvement of Edison Group employees in such fraudulent activity. However, the checks performed by the Company and confirmed by the Board of Statutory Auditors instead showed some partial misalignments of the conduct of the Chief Executive Officer of Edison Norge A.S. with the procedures in force relating to cash flow management.

Following that episode, Edison adopted several initiatives - with a particular focus on the peripheral structures - in order to strengthen payment management processes, including specifically: 1) the modification of procedures relating to cash flows and recourse to computerised control mechanisms; 2) the performance of additional personnel training activities - which moreover had already been carried out in the past - so as to raise employee awareness even more as to the risks linked to cyber fraud committed through "phishing".

Edison also removed the Chief Executive Officer of Edison Norge A.S. from office and undertook judicial initiatives against the companies receiving the unlawful payments as well as the financial intermediary which permitted the transfer of cash flows in violation of several contractual standards in force.

The Board of Statutory Auditors monitored the initiatives for strengthening oversight mechanism to protect the proper management of cash flows and the judicial and recovery initiatives activated

by the Company, assessing them as fair and adequate. In this regard, as recalled above, the Board of Statutory Auditors, acknowledging that the event that concerned Edison Norge A.S. brought to light certain conduct by representatives of the subsidiary that was not compliant with company procedures, deemed, also in light of some recent case law rulings, that the prerequisites were met to send the formal report to Consob pursuant to art. 149, paragraph 3 of Legislative Decree No. 58/1998. The Board of Statutory Auditors lastly notes that the event was subject to an *ad hoc* press release that the Company, on its own account, distributed to the market.

7. In the course of 2019, Edison and some of its subsidiaries assigned additional duties to the Independent Auditors for services other than the audit of Edison's accounts. The consideration relating to the abovementioned duties amounts to a total of 658,850.00 euros, of which 520,650.00 euros for the statutory legal audit of the accounts of the subsidiaries, 24,000.00 euros for the audit of Edison's accounts and 114,200.00 euros for certification services.

In the course of the same year 2019, Edison and some of its subsidiaries assigned additional duties to the parties belonging to the network of the Independent Auditors for services other than the audit of Edison's accounts. The consideration relating to the abovementioned duties amounts to a total of 309,932.18 euros, of which 236,058.62 euros for the statutory legal audit of the accounts of the subsidiaries, 2,673.56 euros for certification services and 71,200.00 euros for other services.

In its role as Internal Control and Audit Committee, the Board of Statutory Auditors fulfilled the obligations laid out in art. 19, paragraph 1, letter e) of Legislative Decree No. 39/2010, as amended by Legislative Decree No. 135/2016 and art. 5, paragraph 4 of EU Regulation No. 537/2014, approving beforehand, when required by regulations in force, the duties for services other than the statutory legal audit assigned by Edison and by its subsidiaries to the Independent Auditors and to parties belonging to its network. To that end, the Board of Statutory Auditors verified the compatibility of such services with the prohibitions pursuant to art. 5 of EU Regulation No. 537/2014, as well as the absence of potential risks for auditor independence deriving from the performance of such services, also for the purposes of the safeguards pursuant to art. 22-*ter* of Dir. 2006/43/EC.

It is also acknowledged that in 2019 the Independent Auditors and parties belonging to its network continued to carry out in favour of Edison or its subsidiaries engagements for services other than auditing for Edison assigned in previous years.

The details of the fees paid during the year and the cost for the tasks carried out - including those relating to engagements assigned and carried out in 2019 - by the Independent Auditors and by parties belonging to its network in favour of Edison, its subsidiaries and their employees, are provided in the Company's separate financial statements, as required by art. 149-*duodecies* of the Issuers' Regulation.

In addition, the Board of Statutory Auditors:

a) verified and monitored the independence of the Independent Auditors, in accordance with art. 10, 10-*bis*, 10-*ter*, 10-*quater* and 17 of Legislative Decree No. 39/2010 and art. 6 of EU Regulation No. 537/2014, ascertaining compliance with regulatory provisions in force on the matter. In performing such controls, no situations were identified that are suitable to generate risks for the independence of the Independent Auditors and for the safeguards pursuant to art. 22-*ter* of Dir. 2006/43/EC or grounds for incompatibility pursuant to applicable regulations;

b) examined the transparency report and the additional report pursuant respectively to articles 13 and 11 of EU Regulation No. 537/2014 prepared by the Independent Auditors in observance of the provisions of the aforementioned Regulation, highlighting that, based on the information obtained, no problematic issues were uncovered to be reported in relation to the performance of the audit activity;

c) received the written confirmation that the Independent Auditors, in the period from January 1, 2019 to the date of issuing of the audit report, did not identify situations that could compromise its independence pursuant to the joint provisions of articles 4, 5 and 6, paragraph 2, letter a) of EU Regulation No. 537/2014, as well as articles 10 and 17 of Legislative Decree No. 39/2010;

d) discussed with the Independent Auditors all situations potentially suited to generate risks for independence and any measures adopted to mitigate them, in accordance with art. 6, paragraph 2, letter b) of EU Regulation No. 537/2014.

8. In 2019, the Board of Statutory Auditors issued the opinions required pursuant to the applicable laws and regulations.

In particular, it issued, evaluating their consistency with the guidelines submitted to the Shareholders' Meeting for approval every year on the compensation policy for the Directors and the top management, opinions concerning:

- a. the approval by the Company's Board of Directors of the actual MBO data relating to the variable portion of the compensation of the Chief Executive Officer for 2018;
- b. the approval by the Company's Board of Directors of decisions concerning the breakdown and determination of compensation of the Chairman and the Chief Executive Officer for the first year of their term of office, as well as the determination of the compensation of the members of the Board Committees established for the 2019-21 three-year period;
- c. the approval by the Company's Board of Directors of the objectives underlying the 2019 MBO of the Chief Executive Officer.

It also provided its opinion whenever the Board of Directors requested it, also in accordance with provisions that, for certain decisions, require the prior input of the Board of Statutory Auditors.

The Board of Statutory Auditors also approved the resolution of the Company's Board of Directors adopted on June 19, 2019, in which the Board, following the resignation of Director Sylvie Jehanno, co-opted to the office of director of the Company, pursuant to art. 2386, paragraph 1, of the Italian Civil Code, Mr Nicola Monti.

At that time, the Board of Statutory Auditors found that the majority of the Directors in office had been appointed by the Shareholders' Meeting, and therefore art. 2386, paragraph 2 of the Italian Civil Code did not apply.

9. In general, in order to obtain the information needed to carry out its oversight activities, the Board of Statutory Auditors met twenty times in 2019, respecting the frequency required by law. The activities performed on those occasions were documented in the minutes of the meetings.

In addition, in 2019, the Board of Statutory Auditors participated:

- in all meetings called by the Company's Board of Directors;
- in the Ordinary Shareholders' Meeting of April 2, 2019;
- through its Chairman or another statutory auditor as a minimum, in all meetings called by the Control and Risk Committee and all meetings called by the Compensation Committee;
- through one of its members as a minimum, in all meetings called by the Committee of Related-Party Transactions;
- through its Chairman, in all meetings called by the Oversight Board of the Organisational and Management Model adopted pursuant to Legislative Decree No. 231/2001.

Lastly, the Board of Statutory Auditors exchanged information with the control bodies of the subsidiaries, as required by art. 151 of Legislative Decree No. 58/1998, there being no indication of any significant issues or ascertained circumstances that would require mention in this report.

10. The Board of Statutory Auditors monitored compliance with the law and the Articles of Incorporation and with the principles of sound management, ensuring that all transactions approved and executed by the Board of Directors complied with the abovementioned rules and principles, were financially sound, were not manifestly imprudent or reckless, did not give rise to potential conflicts of interest with the Company, were not in conflict with resolutions approved by the Shareholders' Meeting and did not impair the integrity of the Company's assets. The Board of Statutory Auditors believes that the tools and governance systems adopted by the Company provide an effective safeguard in terms of compliance with the principles of sound management.

11. The Board of Statutory Auditors monitored the adequacy of the organisational structure of the Company and the Group by gaining an understanding of the Company's administrative structure and exchanging data and information with the managers of the various company functions, the manager of the Internal Auditing Department and the Independent Auditors.

The Company's Board of Directors retains broad decision-making powers.

The Board of Directors delegated powers exclusively to the Chief Executive Officer enabling him to perform all activities that are consistent with the Company's purpose, except for the limitations imposed by laws and the Company's Bylaws and excluding the transactions over which the Board of Directors decided to reserve sole jurisdiction.

Pursuant to the Bylaws, the Chairman of the Board of Directors and the Chief Executive Officer are the Company's legal representative vis-à-vis third parties and in court proceedings.

The Chairman of the Board of Directors does not have operational authority, serving instead in an institutional guidance and control function.

The organisational structure of the Company and the Group is defined by the Chief Executive Officer and implemented by means of a system of internal communications, by which the managers of the various departments and business units were appointed and to whom power were delegated consistent with the assigned responsibilities, the attribution guidelines of which are specified within the framework of the 231 Model. The responsibilities of the Company's top management are clearly defined, with a detailed specification of the attributions of the managers of

the main areas of business and corporate functions, all represented in the Executive Committee (COMEX).

The more operational aspects of the organisational structure are defined by additional organisational communications issued by the managers of the various departments and business units, with the prior approval of the Chief Executive Officer, which are posted on the company Intranet.

During 2019, there were no significant changes in the Group's managerial and organisational structure, with the exception of changes in some members of COMEX. It is acknowledged that, based on the initiative of the Chief Executive Officer, shared by the Board of Directors, the number of members of the COMEX was increased by one unit, as a result of the separation of the Engineering Division from the Power Asset Division, effective from July 2019. In addition, new Directors were appointed for the Gas&Power Market Division and the Sustainability, Institutions & Regulation Division.

The year 2019 saw a continuation of the activities of the Transformation Team, established in 2016 and composed of managers and professionals, in support of the transformation of the organisational model and of managerial conduct in light of the development of the company business and ongoing innovations, in particular due to digital technologies.

Based on the verifications performed, no problematic issues having been uncovered, the Company's organisational structure appears adequate in light of the Company's purpose, characteristics and size.

12. In monitoring the adequacy and effectiveness of the system of internal controls, also with regard to the requirements of art. 19 of Legislative Decree No. 39/2010 and art. 150, paragraph 4, of Legislative Decree No. 58/1998 currently in effect, the Board of Statutory Auditors met on a regular basis with managers of the Internal Auditing Department and other company functions and, through the participation of its Chairman as a minimum, attended the relevant meetings of the Control and Risk Committee and the Oversight Board of the Model pursuant to Legislative Decree No. 231/2001.

The Board found that Edison's system of internal controls is based on a structured and organic set of rules, procedures and organisational structures aimed at preventing or minimising the impact of unexpected results and allow for the achievement of the Company's strategic and operating objectives (i.e., consistency of the activities with the desired objectives, effectiveness and efficiency

in conducting its operations, and protection of the corporate assets), compliance with applicable laws and regulations, and accurate and transparent internal and market communications (reporting).

The guidelines of this system are defined by the Board of Directors with the assistance of the Control and Risk Committee. The Board of Directors also evaluates its adequacy and proper functioning, at least once per year, with the support of the Internal Auditing Department, on the basis of the preliminary activity performed by the Control and Risk Committee.

The Board of Statutory Auditors periodically interacted with the Internal Auditing Department for the purpose of assessing the audit plan and its findings, both in the planning phase and in the review of completed audits and the corresponding follow-up activities.

Consistent with past practice, the Board of Statutory Auditors verified, for the areas under its jurisdiction, that internal control monitoring tools were also promptly activated.

The Company, directly and at the Group level, uses additional tools to monitor progress toward the achievement of operational and compliance objectives, including a structured and periodic planning, management control and reporting system, a financial risk governance system (commodity and foreign exchange risks primarily), a system to manage company risks in accordance with Enterprise Risk Management (ERM) principles, and the accounting control model required by Law No. 262/2005 in the area of financial disclosures. The characteristics of the structure and functioning of these systems and models are described in the Report on Corporate Governance and the Company's Ownership Structure.

Periodically, the Board of Statutory Auditors, working with managers of the relevant department, reviewed changes in the risk map based on ERM methods.

The Board of Statutory Auditors also monitored the adequacy of the organizational structure and the correct implementation of the safeguards adopted by the Company to ensure compliance with provisions of the EMIR Regulation.

Edison adopted the organizational model required pursuant to Legislative Decree No. 231/2001 ("231 Model") of which the Code of Ethics is an integral part. The Model is designed to prevent the perpetration of the unlawful acts referred to in the abovementioned Decree and, consequently, shield the Company from administrative liability.

An update of Edison's 231 Model, approved by the Board of Directors at a meeting held on December 7, 2019, was carried out in 2019, specifically to adapt the Model to the new predicate offence of "trafficking in illicit influences", through the addition of certain rules of conduct in the Code of Ethics and the relevant decision-making protocols. At that time, the anti-corruption guidelines adopted by the Company were also updated.

The Company, with the support of the Internal Auditing Department, continued the training programmes on the 231 Model, the Code of Ethics and the Anti-corruption Guidelines, also through the use of multimedia on-line courses aimed at all employees, to help them achieve a sufficiently detailed knowledge of those documents.

It is also acknowledged that, on April 2, 2019, the Board of Directors elected the new Oversight Board pursuant to Legislative Decree No. 231/2001 with the appointment of an outside professional (Pietro Manzonetto), who serves as Chairman, and two independent Directors (Paolo Di Benedetto and Nathalie Tocci).

The Oversight Board met four times and supervised the functioning and observance of the 231 Model - the "suitability" of which it evaluated pursuant to Legislative Decree No. 231/2001 - monitoring the evolution of the relevant regulations, the implementation of personnel training initiatives and the observance of the Protocols by their addressees, also through audits conducted with the support of the Internal Auditing Department.

Furthermore, some time ago the Company adopted an Antitrust Code that complements the Code of Ethics, with the aim of supporting and facilitating compliance with the rules protecting competition.

In the area of internal dealing, in addition to the obligations that already exist pursuant to the regulations concerning market abuse, the Company adopted rules governing the obligation to refrain from executing transactions that involve financial instruments issued by the Company that are listed on regulated markets, as required by EU Regulation No. 596/2014 on market abuse, making the prohibition requirement applicable only to mandatory financial documents and specifying the timing and duration of this prohibition, in accordance with the provisions of the abovementioned Regulation.

For the year 2019, the Board of Directors, based on the available information and evidence, gathered in part thanks to the preparatory work of the Control and Risk Committee, carried out an overall assessment of the adequacy of the internal control and risk management system,

concluding that it was generally adequate for the purpose of providing a reasonable certainty that the main risks identified are properly managed.

On May 25, 2018, EU Regulation No. 679/2016 (General Data Protection Regulation) became effective. In complying with said regulation, Edison adjusted its organisational processes regarding personal data protection and in particular adopted a New Privacy Management Model, defining guidelines on the processing of personal data for the management of corporate and intragroup organisational relations and for the necessary coordination of operating and compliance activities. In addition, at its meeting held on May 4, 2018 the Board of Directors appointed the Data Protection Officer (DPO).

As a result of the analyses conducted by the Board of Statutory Auditors, and the information acquired, also in consideration of the dynamic and evolutionary nature of the Company's internal control and risk management system, also considering the actions planned and implemented over time, no elements emerged to suggest that said system is not adequate, effective and effectively implemented.

13. In addition, the Board of Statutory Auditors monitored the adequacy and reliability of the Company's administrative and accounting system in presenting accurately the results from operations by obtaining information from the managers of the relevant departments, reviewing company documents and analysing the information produced by the Independent Auditors. The two Officers appointed to prepare the Company's accounting documents were awarded jointly the attributions that the law requires and were provided with sufficient authority and resources to discharge their duties. In addition, the Chief Executive Officer, through the Documents Officers, is responsible for implementing the "Accounting Control Model Pursuant to Law No. 262/2005", the purpose of which is to establish the guidelines that must be applied within the Edison Group to satisfy the obligations set forth in art. 154-*bis* of Legislative Decree No. 58/1998 with regard to the preparation of corporate accounting documents and comply with the resulting certification requirements. The preparation of accounting disclosures and of statutory and consolidated financial statements is governed by the Group Accounting Manual and by the other administrative and accounting procedures that are part of the Model pursuant to Law No. 262/2005, including the fast closing procedure adopted by the Company.

The Model adopted pursuant to Law No. 262/2005 includes official procedures concerning the impairment test, performed in accordance with IAS 36. The analysis of the recoverable values of goodwill and other assets was carried out with the support of a highly qualified independent

expert and approved by the Board of Directors at its meeting on February 13, 2020. A detailed description of the methods and assumptions applied is provided in the relevant note to the consolidated financial statements.

The impairment test procedure and its methodological set-up were monitored by the Board of Statutory Auditors through meetings with company managers and the Independent Auditors and the attendance by one of its members at meetings held by the Control and Risk Committee to review the abovementioned aspects.

The Company has formalised a Tax Policy which sets out the basic principles and guidelines of its tax strategy with the aim of ensuring the correct and timely compliance with tax obligations and more generally compliance with tax regulations, and to ensure the correct and efficient management of the Group's taxation system. In addition, at Group level, Edison has adopted a Tax Control Framework (TCF) which is part of the broader internal control and risk management system to detect, manage and monitor tax risks in relation to the activities falling within the processes managed by the various business areas.

The Company has a Procedure (Guidelines for the sustainability reporting process) for the preparation of the Edison Group's sustainability reports, which therefore facilitates the identification and collection of the qualitative and quantitative information required to draw up the non-financial disclosure.

The Board of Statutory Auditors examined this Procedure and has no observations to be reported in this regard.

The non-financial disclosure is prepared by the Company based on the data collected and coordinated by the Sustainability, Institutions and Regulation Division, which coordinates and supplements the contributions of the competent departments and divisions on the respective sustainability themes.

The Board of Statutory Auditors is cognizant of the attestations issued by Edison's Chief Executive Officer and Documents Officers regarding the adequacy of the administrative and accounting system, in light of the Company's characteristics, and the effective implementation of the administrative and accounting procedures required for the preparation of the separate financial statements of Edison and the consolidated financial statements of the Edison Group. In addition, the Board of Statutory Auditors monitored the financial information reporting process by obtaining information from company managers.

As a result of the analyses performed and the information acquired, it found that, overall, the Company's administrative-accounting system is adequate and reliable in accurately presenting operating results.

14. The Board of Statutory Auditors monitored the adequacy of the instructions provided by the Company to its subsidiaries pursuant to art. 114, paragraph 2, of Legislative Decree No. 58/1998, determining, based on information provided by the Company, that these instructions were suitable for providing the information needed to comply with statutory disclosure requirements, and has no objections.

15. The Board of Statutory Auditors, with the support of the Corporate Affairs Department, monitored the process adopted to ensure the concrete implementation of the corporate governance rules set forth in the edition currently in effect of the Corporate Governance Code published by Borsa Italiana (the "Code"), also with respect to updating those monitoring activities to reflect the provisions added to the Corporate Governance Code further to the revisions completed in July 2018.

The Report on Corporate Governance and the Company's Ownership Structure lists the Code recommendations that the Board of Directors chose not to adopt, explaining the reasons for those choices, and describes any alternative solutions that may have been adopted.

16. With reference to the composition of the Company's Board of Directors, please note that, on June 19, 2019:

- Jean-Bernard Lévy and Marc Benayoun resigned from the offices of Chairman and Chief Executive Officer of the Company, respectively, as of July 1, 2019.

- The Board of Directors acknowledged the resignation of Director Silvie Jéhanno and, as a result, at its meeting held on June 19, 2019, co-opted Nicola Monti as Director of the Company pursuant to art. 2386, paragraph 1 of the Italian Civil Code and appointed, effective as of July 1, 2019, Mr Monti as Chief Executive Officer and Marc Benayoun as Chairman of the Company.

Pursuant to art. 2386, paragraph 1 of the Italian Civil Code, the Board of Statutory Auditors approved the abovementioned resolution to co-opt Nicola Monti adopted by the Board of Directors of the Company.

Subsequently, on February 6, 2020, Nicole Verdier-Naves resigned from the office of Director as of the date of the Shareholders' Meeting called to approve the financial statements for the year 2019.

As a result of the abovementioned changes, the Board of Directors is currently comprised of nine members, including three independent Directors.

With the exception of the Chief Executive Officer, the other Directors currently in office were appointed for the first time or confirmed by the Shareholders' Meeting on April 2, 2019 and all of them will remain in office until the approval of the financial statements at December 31, 2021.

Please note that the composition of the Board of Directors is compliant with gender parity rules.

In 2019, the Board of Directors carried out a self-assessment of the size, composition and activities of the Board of Directors and its Committees. The results of this process were presented to the Board of Directors at a meeting held on February 13, 2020 and are listed in the Report on Corporate Governance and the Company's Ownership Structure.

With regard to the procedure followed by the Board of Directors to ascertain the independence of its members, the Board of Statutory Auditors carried out a review of the issues over which it has jurisdiction, concluding that the criteria and procedures used to verify the independence requirements, pursuant to the applicable laws and the Corporate Governance Code, were correctly applied and the requirements concerning the overall composition of the Board of Directors were complied with.

The Board of Statutory Auditors ascertained that its members met the same independence and integrity requirements as the Directors and notified the Company's Board of Directors of this fact.

It also adopted the Corporate Governance Code's recommendation requiring that its members disclose any direct or third-party interest they may have in specific transactions submitted to the Board of Directors. No situation with respect to which the members of the Board of Statutory Auditors would have been required to make disclosures of this type occurred in 2019.

The Company's Board of Directors met nine times in 2019.

The following committees have been established within the framework of the Board of Directors:

- The Control and Risk Committee, which is responsible for providing consulting support and making recommendations, reports to the Board of Directors at least once every six months about the work it performed and the adequacy of the internal control and risk management system, as well as on the sustainability and Corporate Social Responsibility policies enacted in Edison, also with regard to the obligations to draft the non-financial disclosure pursuant to Legislative Decree No. 254/2016. This committee, which is comprised of three non-executive

Directors, two independent, met five times in 2019. The recommendation of the Corporate Governance Code that the Control and Risk Committee be comprised exclusively of independent Directors was not complied with for the reasons presented in the Report on Corporate Governance and the Company's Ownership Structure.

- The Compensation Committee, which is comprised of three non-executive Directors, two independent, met three times in 2019.
- The Committee of Related-Party Transactions, which is comprised of three independent Directors, held sixteen meetings in 2019 during which it reviewed a Highly Material transaction and four Less Material transactions in accordance with the Procedure for Related-party Transactions, as well as several ordinary transactions in which the parent company EDF was the counterparty.

The composition and adequacy of the administrative and control bodies of the subsidiaries were also verified.

Additional information about the Company's corporate governance is provided in the Report on Corporate Governance and the Company's Ownership Structure, with regard to which the Board of Statutory Auditors has no objections requiring disclosure.

17. The Board of Statutory Auditors reviewed the Compensation Report approved by the Board of Directors on February 13, 2020 upon a recommendation by the Compensation Committee and verified its compliance with the applicable laws and regulations, and the clarity and completeness of the disclosures provided regarding the compensation policy adopted by the Company.

18. The Board of Statutory Auditors also reviewed the motions that the Board of Directors, meeting on February 13, 2020, resolved to submit to the Shareholders' Meeting and declares that it has no specific remarks in this regard.

19. Without prejudice to the specific tasks of the Independent Auditors regarding control of the accounts and verification of the reliability of the separate financial statements and the consolidated financial statements, the Board of Statutory Auditors directly verified compliance with the provisions of the statutes governing the preparation of the draft separate financial statements and consolidated financial statements of the Group at December 31, 2019, the respective accompanying Notes and the Directors' Report on Operations. It accomplished this task through direct observations and with the support of managers of company departments as well as representatives

of the Independent Auditors and has no observations to formulate to the Shareholders' Meeting on the matter.

The separate and consolidated financial statements are accompanied by the required conformity declarations signed by the Chief Executive Officer and the Officers appointed to prepare the Company's accounting documents.

The Board of Statutory Auditors also reviewed the 2020 budget and 2021-2023 Medium Term Plan, both approved by the Company's Board of Directors on December 7, 2019.

In addition, the Board of Statutory Auditors verified that the Company fulfilled the obligations laid out in Legislative Decree No. 254/2016 and that, in particular, it drafted the consolidated non-financial disclosure in compliance with the provisions of art. 3 and 4 of the same Decree. On this point, the Board of Statutory Auditors acknowledges that the Company relied on exemption from the obligation to draft the separate non-financial disclosure laid out in art. 6, paragraph 1 of Legislative Decree No. 254/2016, as it prepared the consolidated non-financial disclosure pursuant to art. 4. This statement was accompanied by the certification of the Independent Auditors on the compliance of the information provided with what is set forth in the abovementioned Legislative Decree and the principles and methodologies used by the Company for its preparation, also pursuant to the Consob Regulation adopted with resolution No. 20267 of January 18, 2018.

* * *

With regard to the ongoing Covid-19 pandemic emergency, the Board of Statutory Auditors announces that it participated in the Board of Directors meeting on April 2, 2020, during which time the Chief Executive Officer provided, inter alia, a precise disclosure on the organisational measures adopted and on the initiatives undertaken by Edison and by its subsidiaries to comply with regulations, including on workplace safety, issued by the authorities to allow for the continuation of business activities. He also reported on the assessments under way with regard to the potential effects of the health emergency on the Company's performance and business.

The Board of Statutory Auditors notes that, on the basis of the information obtained during that meeting, as well as the information exchanged directly with the Independent Auditors, the Company's Board of Directors is carefully monitoring the ongoing situation with regard to the aspects noted above and is evaluating the possible impacts of the pandemic on the Company's financial results, reserving the right to provide a disclosure in this regard to the market in compliance with the indications provided by the market regulatory authorities.

* * *

Based on the foregoing considerations, which provide an overview of its activities in the year, the Board of Statutory Auditors did not uncover any specific negative issues, omissions, improper acts or irregularities and has no remarks, and finds no grounds for objecting to the approval of the motions submitted by the Board of Directors to the Shareholders' Meeting.

Lastly, the Board of Statutory Auditors notes that it formulated the proposal-recommendation pursuant to art. 16 of EU Regulation No. 537/2014 and art. 13, paragraph 1, of Legislative Decree No. 39/2010, on the basis of which the Shareholders' Meeting will be called upon to appoint the new Independent Auditors, and also notes that, with the approval of the financial statements for the year 2019, the term of office of all members of this Board of Statutory Auditors is also coming to an end. The shareholders are therefore invited to appoint a new Board.

Milan, April 3, 2020

The Board of Statutory Auditors

Serenella Rossi (Chairwoman)

Lorenzo Pozza (Statutory Auditor)

Gabriele Villa (Statutory Auditor)