

**ACEA SPA 5 JUNE 2014 MEETING
REPORT OF THE SHAREHOLDER ROMA CAPITALE
CONCERNING ITEM 4 ON THE AGENDA**

Report on the:

1) *Reduction of the Board of Directors*

We should consider that the interest, particularly if a majority and controlling interest, of a public authority in a joint stock company, gives the public authority a distinctive role combining the rights and obligations of the shareholder (in the case of a majority interest) in accordance with ordinary law, with the rights and obligations associated with the effects on public finance and the common good that the interest of a public authority intrinsically implies. Therefore, the public authority majority shareholder must exercise supervisory, policy-making and decision-making powers under the responsibility of a majority shareholder, allowing for the particular public nature of the same shareholder which, in other simpler terms means that, while wishing to emphasize the type of private-enterprise the company must naturally aspire to, the representatives of the majority public shareholder must perform their supervisory and policy-making duties not only with the rigour that usually and in a *natural* way characterises the actions of the “private” majority shareholder, but in a way which has the greatest respect for the public nature of the body they are representing and as a consequence of the interests they are obliged to protect.

The above therefore, is of specific importance in the decisions taken concerning the conformation of *governance*, the evaluations on concrete corporate activities, and the supervision of directors' actions.

Therefore, it is within the scope of this consolidated and responsible supervisory obligation that in a note dated 3 March 2014 I in accordance with the law, requested the Chairman of Acea call the meeting to resolve, amongst other things, the following item on the agenda: Reduction of the Board of Directors.

Note that the Acea SpA By-laws specify that the Meeting determines the number of members in the Board of Directors, from 5 to 9 members.

It also requires a specific resolution.

The by-laws therefore gives the Meeting more options than what would have been the case if a fixed number of board members had been specified.

In this other case in fact, to change the number of the members of the BoD (increasing or decreasing the number) a prior change to the by-laws would be required.

So, as things stand, if changes to the by-laws were required to change the number of board members, this could also be done by the BoD in office with immediate effect causing, unless otherwise specified, the forfeiture of the directors in office, it goes without saying that a similar principle holds true if the By-laws, as in this case, leave the Meeting ample powers without the need to change the By-laws.

In the Meeting on 15 April 2013 a minority shareholder made a proposal to guarantee a more streamlined and efficient administration to save costs, that the meeting should in a virtuous way exercise its rights and set the number of members of the BoD to five.

Said proposal was not approved.

Today, this Authority holds that the grounds on which the above-mentioned proposal was made are further consolidated by the general circumstances, the considerations on the question of costs in the following point and concrete events, as well as by the consideration that a BoD consisting of the maximum number of members allowed by the By-laws has not in fact guaranteed the absence of criticalities nor prevented considerable dysfunctions which have a major effect considering the particular characteristics of Acea SpA and its majority shareholder as described in depth in the introduction.

As for the decision as to whether to reduce the number of board members to 5 or 7, this shareholder believes that the first choice is preferable for the above reasons, while remaining open to hear other opinions at the meeting.