



**EXPLANATORY REPORT FOR THE ORDINARY SHAREHOLDERS' MEETING**  
***INTEGRATION OF THE ACTIVITY CARRIED OUT BY THE INDEPENDENT AUDITORS***  
***AND ADJUSTMENT OF THE FEES***

**Shareholders' Meeting of April 27, 2018**

**A2A S.p.A. (the “Company”)  
Headquarters in Brescia, Via Lamarmora 230  
Share Capital 1,629,110,744.04 euro fully paid-up  
Tax ID, VAT and  
Registration number with the Brescia Companies Register 11957540153**

Shareholders,

We wish to remind you that the Shareholders’ Meeting of June 11, 2015 resolved to assign to the company EY S.p.A. (hereinafter “EY”) the statutory audit of the Company’s accounts for the nine-year period 2016-2024.

By letter dated February 16, 2018, EY communicated the details of the additional auditing activities, and related fees, which it expects to carry out for the financial years starting from the one ended December 31, 2017 up to the one ended December 31, 2024, as a consequence of the further functional activities for the correct execution of the audit on the annual non-financial statement pursuant to Legislative Decree no. 254/2016 (hereinafter “DNF”).

In this regard, the Board of Statutory Auditors prepared, pursuant to article 16 of EU Regulation no. 537/2014 a specific reasoned recommendation to the Board of Directors on the integration of the fees provided for in the contract with EY, annexed to this letter under “A”.

The Board of Directors, in its meeting of March 20, 2018, taking into account the recommendation of the Board of Statutory Auditors, approved the above mentioned adjustment of the fees due to EY starting from the financial year ended December 31, 2017 and up to the financial year ended December 31, 2024 (last year of the assignment of the audit), proposing the adoption thereof to the Shareholders’ Meeting.

*The Board of Directors*

**Annex “A”**

**Reasoned recommendation of the Board of Statutory Auditors pursuant to article 13 of Legislative Decree no. 39/2010 and of article 16 of EU Regulation no. 537/2014 in relation to the adjustment of the Independent Auditors’ fees.**

To the kind attention of the Board of Directors,

The company EY S.p.A. (hereinafter “EY”), appointed by the Shareholders’ Meeting of June 11, 2015 for the statutory audit of A2A S.p.A. (hereinafter also the “Company”) for the nine-year period 2016-2024, by letter dated February 16, 2018, communicated the details of the additional auditing activities, and the related fees, which it expects to perform for the financial years starting from the one closed as of December 31, 2017 as a result of additional activities aimed at the correct completion of the statutory audit on the annual non-financial statement pursuant to Legislative Decree 254/2016 (hereinafter “DNF”).

In particular, A2A voluntarily prepared a report (“2016 Integrated Financial Statements”) in previous years relating to non-financial information on the previous year, which will constitute the starting point, also considering the provisions of article 3, paragraph 3 of the Decree, for the preparation of the DNF 2017.

The new regulatory regime in force therefore envisaged the need to carry out additional and more complex audit procedures compared to what was achieved during the previous year for the limited audit of the sustainability report of A2A S.p.A. and its subsidiaries under a voluntary regime.

Providing the foregoing, with the aforementioned letter of February 16, 2018, EY announced that, starting from the statutory audit for the year ending December 31, 2017, the timing and related additional fees are estimated as follows:

<b>Assignment</b>	<b>Annual additional fees (Euro)</b>
<b>Annual non-financial statement (DNF) as of 2017</b>	<b>15,000</b>

\*\*\*\*\*

In light of the above, it is necessary to determine the need to integrate the auditing services carried out so far by EY to take into account the new estimate of the timing and the related fees related to the additional audit activities pursuant to Legislative Decree 254/2016 (DNF).

To this end,

#### **PROVIDING**

- that article 13, paragraph 1 of Legislative Decree no. 39/2010 states that *“Except as provided by article 2328, second paragraph, number 11) of the Italian Civil Code, and it being understood that the conferment of assignments by public-interest entities are governed by article 17, paragraph 1, of this decree and by article 16 of the European Regulation, on the basis of a reasoned proposal from the control body, the shareholders’ meeting confers the assignment of the statutory audit of accounts and determines the fees due to the statutory auditor or the independent auditors for the entire duration of the assignment and any criteria for adjustment of this fee during the assignment”*;
- that on June 11, 2015, the Shareholders’ Meeting resolved, upon a reasoned proposal by the Board of Statutory Auditors of April 28, 2015, the assignment of the statutory audit of accounts and activities related to the audit, to the company EY S.p.A. for the nine-year period November 2016-2024;

#### **CONSIDERING**

- that on March 14, 2018, the Board of Statutory Auditors examined the reasons underlying the request for integration of the fees formulated and the related implications, in terms of professional responsibility and additional audit procedures to be performed;

#### **HAVING VERIFIED**

- that, based on as outlined in the letter dated February 16, 2018 of EY, the fee is expected to increase from 2017 up to and including 2024 (last year of the audit assignment) as detailed below:

**Assignment**

**Annual additional fees**

**(Euro)**

**Annual non-financial statement (DNF) as of 2017**

**15,000**

- that the fee requested is appropriate and adequate to the activities carried out;

providing the foregoing, the Board of Statutory Auditors

### **RECOMMENDS**

On the basis of the foregoing, that the Board of Directors submit to the approval of the Shareholders' Meeting, to adjust the fee for the statutory audit of the accounts and related activities for the additional activities communicated by EY by letter of February 16, 2018, approving for this purpose an integration of up to 15,000 euro of the fees due to EY for each financial year starting from the statutory audit of the DNF at December 31, 2017.

All the other clauses included in the original revision proposal of August 4, 2015 shall remain valid.

Milan, 14 March 2018

#### *THE BOARD OF STATUTORY AUDITORS*

(Signed Giacinto Sarubbi) - Chairman

(Signed Maurizio Leonardo Lombardi) - Statutory Auditor

(Signed Chiara Segala) - Statutory Auditor