Report by the Board of Directors pursuant to Art. 125-ter, section one, of Italian Legislative Decree no. 58 of 24 February 1998 as modified and supplemented, and to Art. 84-ter of the rule adopted with Consob Deliberation no. 11971 of 14 May 1999 as modified and supplemented, on the appointment of the independent auditing company for financial years 2016 to 2024.

Dear Shareholders,

The assignment of the independent auditing company PricewaterhouseCoopers S.p.A., conferred by the Shareholders Meeting of AEM S.p.A. (now A2A S.p.A.) on 26 April 2007 for financial years 2007-2015, will expire with the approval of the 2015 Financial Statements.

Therefore, the Board of Directors will submit for your approval at the Meeting called for 11 June 2015 in first call and, if necessary, for 12 June 2015 in second call, the reasoned proposal (attached) formulated by the Board of Auditors for purposes of Art. 13 section 1 of Italian Legislative Decree no. 39 of 27 June 2010 concerning the appointment of the auditing company Reconta Ernst & Young S.p.A. as statutory auditor for financial years 2016 to 2024.

The Board of Directors

A2A S.p.A.

ORDINARY GENERAL SHAREHOLDERS

MEETING OF 11 JUNE 2015

REASONED PROPOSAL BY BOARD OF AUDITORS FOR ASSIGNMENT OF STATUTORY AUDITOR FOR FINANCIAL YEARS 2016 – 2024

POINT 5 ON THE AGENDA

Proposal for assignment of statutory auditor for financial years 2016-2024

Dear Shareholders,

The assignment of the independent auditing company PricewaterhouseCoopers S.p.A. (PWC), conferred by the Shareholders Meeting of AEM S.p.A. (now A2A S.p.A.) on 26 April 2007 for financial years 2007-2015, will expire with the approval of the 2015 Financial Statements. The assignment was conferred pursuant to the provisions of Art. 159 of Legislative Decree 58/98 (as amended by Art. 3, section 16, of Legislative Decree no. 303 of 29 December 2006) and, subsequently to Art. 13 of Legislative Decree 39/2010.

The assignment cannot be renewed because:

- for companies issuing transferable securities admitted to trading on regulated markets in Italy and in the European Union, Art. 17 of Legislative Decree 39/2010 provides that a statutory auditing company may be assigned as statutory auditor for a maximum of nine financial years and excludes the possibility of renewal until at least three financial years have elapsed from the date of termination of the previous assignment;

- the nine-year period provided by Art. 17 of Legislative Decree 39/2010 expires with financial year 2015, and the assignment conferred to PWC S.p.A. cannot be renewed or otherwise extended.

For purposes of Art. 13 of Legislative Decree 39/2010, the Shareholders Meeting "… upon a reasoned proposal of the supervisory body, is made responsible for the statutory audit and determines the amount payable to the statutory auditor or the statutory auditing company for the entire duration of the appointment and any criteria for the adjustment of this amount during the appointment."

In consideration of the size and complexity of the A2A Group, and in conformity to the method employed by large Italian companies listed on the exchange, the Board of Auditors of A2A S.p.A. (hereinafter, "Board of Auditors" or "Board") has decided to commence the procedure to select a new statutory auditing company for financial years 2016-2024 one year in advance, and to submit to the Shareholders Meeting its proposal for assignment of the new appointment.

This decision was made in order to give the new statutory auditing company sufficient time to organize the transition of auditing activities so as to acquire greater knowledge of the Company and work more effectively and efficiently, and to allow the other Group companies, which must, in the scope of their independent decision-making powers, appoint the new statutory auditing company with the same expiration, to align their choice of the new statutory auditing company in order to have, where possible, a single auditing company for the Group.

Guidelines for selection of the auditing company

The Board has adopted the "single group auditor" principle, given that a different solution could generate inefficiency in the performance of auditing services, as well as a diseconomy for the Group; moreover, a different solution would complicate the appointment of the auditor at expiration of the nine-year period because it would shorten the list of companies eligible to perform the audit of the A2A Group.

Therefore, for purposes of examining the proposals and proceeding to the reasoned proposal for appointment of the company assigned to perform A2A S.p.A.'s statutory audit, A2A S.p.A.'s Board has requested that all proposals be formulated with reference to all A2A Group companies in the consolidation.

For such purpose, the Company issued a request for tenders in which major auditing companies participated and during which the principal technical and economic parameters of each tender were analyzed, as reported below.

Contents of the tender document

On 13 March 2015, the Company sent the auditing companies Reconta Ernst & Young S.p.A., Kpmg S.p.A., and Deloitte & Touche S.p.A. a letter requesting each of them to present, by 12 noon on 10 April 2015, its tender containing the following:

- **subject matter of the tender**:
    - audit of the separate financial statements of A2A S.p.A. and the consolidated financial statements of the Group pursuant to Articles 14, 16, and 17 section 1 of Legislative Decree 39/2010;
    - opinion on the consistency of the management report and the information referred to in section 1, letters c), d), f), l), m), and in section 2, letter b), of Art. 123-bis of Legislative Decree 58/98, presented in the report on corporate governance and ownership structures, with the financial statement;
    - audit of the reporting package of A2A Group subsidiaries based on their significance for purposes of inclusion in the consolidated financial statement;
    - limited audit of the Group's semi-annual consolidated financial statement for purposes of Consob Communication no. 97001574 of 20/2/1997, conducted according to the criteria for limited audit recommended by Consob Deliberation no. 10867 of 31 July 1997;
    - limited audit of the semi-annual reporting package of A2A Group subsidiaries based on their significance for purposes of inclusion in the Group's semi-annual consolidated financial statement;

- for A2A S.p.A. and for A2A Group companies, verifications over the year of accounting records and of correct reporting of accounting entries for purposes of Art. 14, section 1, letter b) of Legislative Decree 39/2010;
- for A2A S.p.A. and for A2A Group companies, verifications and signing of all tax returns (770 Simplified/Ordinary, Unico, IRAP, National Consolidated) filed for purposes of current and future tax laws;
- examination of the conformity of separate annual accounts (Unbundling) prepared for purposes of Deliberation 11/07 of the Italian Regulatory Authority for Electricity Gas and Water (AEEGSI);
- assistance in the interpretation of significant IFRS/IAS accounting standards, including updates and revisions;
- audit of A2A S.p.A.'s Sustainability Report;
- annual certification of revenues of Retragas S.r.l. (gas transmission company) paid to the AEEGSI.

In addition to the above activities, the participants were requested to present a tender for specific additional activities (so-called "optional activities") that the A2A Group may request if necessary during the nine-year period;

- **documentation to be submitted and presentation of tender**: the participants were requested to submit the administrative, technical and economic documentation described in the letter by means of the A2A Group's eProcurement platform;
- **method for competing auditing companies to send requests for clarification regarding the tender**: the letter provides the possibility for the invited auditing companies to send requests for clarifications regarding the tender documentation by means of the A2A Group's eProcurement platform;
- **description of presentation methods and evaluation of tenders**: the letter specified that the tenders would be opened and the documentation examined by first examining the administrative documentation, then the technical documentation, and lastly the economic documentation.

The tender was awarded to the proposal deemed most advantageous as a whole.

The evaluation criteria were broken down as follows:

a. **"technical value" (60 points total)**
b. **"economic value" (40 points total)**

With specific reference to "**technical value**," a number of critical elements were identified, each of which was assigned a score:

#	Section	Weight (Points)
1	Total number of hours per year	8
2	Professional mix	16
3	Auditing experience in the utilities industry	12
4	Team's experience and technical expertise	9
5	Methods for reporting team's activities and communications to Board of Auditors	6
6	Auditing activities for FTSE MIB 40 companies	9
	Total weight of sections	**60**

The Board examined and shared these technical parameters with the management of A2A S.p.A.'s Administrative, Finance, and Control Department and acknowledged that such parameters were suitable for evaluating the tenders based on objective analytic criteria.

With reference to **"economic value,**" the award procedure, as described in the letter, called for a maximum of 40 points based on the following formula:

$$Pe = Pe1 + Pe2$$

where:

Pe is the total economic score attributed to each auditing company in question;

Pe1 is the economic score attributed to the item "total fixed activity," for a maximum of 36 points;

Pe2 is the economic score attributed to the weighted average professional rate offered (€/day) for additional activities, for a maximum of 4 points.

Pe1 is calculated based on the following criteria:

Pe1	**Points**
€1,740,000.00	0
€1,739,999.99 to €1,500,000.00: for every €10,000.00 less	1 point more for every €10,000.00 less
€1,499,999.99 to €1,300,000.00:	0.5 points more up to a maximum of 34 points for every

for every €10,000.00 less	€10,000.00 less
€1,299,999.99 to €1,100,000.00: for every €10,000.00 less	0.1 points more up to a maximum of 36 points for every €10,000.00 less

All of the participating auditing companies provided the document entitled "list of incompatibilities" which indicated any current professional assignments/services between the auditing company (including other companies belonging to its network) and A2A Group companies, and containing

- an indication of the non-existence of causes of incompatibility with the auditing activities and/or causes that may prejudice the independence and objectivity of the auditing company with reference to the laws of each country involved,

or

- an explicit commitment (declaration), under penalty of automatic termination of the agreement (as per Art. 1455 of the Italian Civil Code), without need of prior warning (as per Art. 1454 of the Italian Civil Code), and without cost to A2A S.p.A., to eliminate any causes/situations of incompatibility for purposes and effects of current law before commencing the activities specified in the assignment and not later than the start of the first year of the nine-year period in question.

Assessment and selection of auditing company

The Technical Committee (consisting of the Board of Auditors, the Chief Financial Officer, the Administration, Finance, and Control and 262 Compliance Manager, the Financial Statements, Accounting, and Taxes Manager, the Financial Statements, Assets and General Accounting Manager, and the Internal Audit Manager) met representatives of the auditing companies at its meeting of 15 April 2015.

During this meeting, each auditing company presented its tender and work team. The analysis took account of compliance with Consob instructions with regard to composition of the audit team as well as the various professionals involved in order to guarantee a sufficient number of highly experienced members in light of the complex audit activities to be conducted.

During the meeting with each of the candidate companies, the Board was presented – and took adequate consideration of – the governance structure of each auditing company and the mechanisms used to coordinate its international (especially European) network.

At its 24 April 2015 meeting, the Board of Auditors examined and assessed the "technical documentation;" the assessment process was shared with the Technical Committee.

A2A S.p.A.'s Purchasing Department then examined the "economic documentation" and assigned scores for "economic value."

At the conclusion of the process, the Board proposed that Reconta Ernst & Young S.p.A. be assigned as statutory auditors for A2A S.p.A.'s accounts (as well as for the optional activities referred to in the tender) for the period 2016-2024, in that it was first on the list based on its overall score.

Company managers on the Technical Committee evaluated the proposal of Reconta Ernst & Young S.p.A. and agreed to its assignment.

Reconta Ernst & Young S.p.A. was chosen on the basis of its greater experience in the utilities industry and on the greater auditing activity it currently performs for FTSE MIB 40 companies.

The annual fee requested by Reconta Ernst & Young S.p.A. does not differ substantially from those of the other proposals, and is appropriate and adequate to ensure the quality and reliability of its audit activities.

Reconta Ernst & Young S.p.A.'s overall proposal regards A2A S.p.A. and the companies in the A2A Group.

For each financial year in the period 2016-2024, Reconta Ernst & Young S.p.A. has requested fees amounting to Euro 1,480,000/year for the auditing activities in question.

For the above reasons, the Board of Auditors of A2A S.p.A.

HEREBY PROPOSES

to the Shareholders Meeting,

A. to confer the assignment of statutory audit of accounts for financial years 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024 – for purposes of Articles 13 et seq. of Italian Legislative Decree 39/2010 and of Article 26 of the Articles of Association – to **Reconta Ernst & Young S.p.A.**, with registered office at via Po 32, 00198 Rome, Italy, Tax Code 00434000584, under the terms and conditions specified in the proposal formulated by same on 10 April 2015;
B. to delegate to the Chairman of the Board of Directors and to the Chief Executive Officer, separately, full powers in conformity to law for complete enforcement of the above-mentioned resolution, with all necessary and appropriate powers for such purpose, without exclusion or exception, including the power to make any non-substantive changes to subsequent resolutions as may be deemed necessary and/or opportune for registration in the Register of Companies and/or as may be indicated by the Supervisory Authority.

Milan, 28 April 2015

The Board of Auditors

Giacinto Sarubbi Chairman

Cristina Casadio	Statutory auditor
Norberto Rosini	Statutory auditor