



CORPORATE GOVERNANCE 2008

REPORT ON CORPORATE GOVERNANCE AND THE COMPANY'S OWNERSHIP STRUCTURE **2008**

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This Corporate Governance Report together with information about the Company's ownership structure, and the Bylaws are available on the Company website (www.edison.it – "Governance – Bylaws and Corporate Governance Reports").

OWNERSHIP STRUCTURE

STRUCTURE OF THE SHARE CAPITAL

Composition

On February 10, 2009, Edison's share capital totaled 5,291,700,671.00 euros, divided into 5,181,108,251 common shares, par value 1 euro each, equal to 97.91% of the total share capital, and 110,592,420 savings shares, par value 1 euro each, equal to 2.09% of the total share capital.

No financial instruments that convey the right to acquire newly issued shares through subscription are outstanding.

No options awarded to Group employees that convey the right to purchase Edison shares at preset prices (Stock Option Plans) are outstanding and, consequently, no capital increases earmarked for such purpose were carried out.

Rights of the Classes of Shares

The common shares, which are registered shares, convey the right to vote at the Company's Ordinary and Extraordinary Shareholders' Meetings, in accordance with the applicable provisions of the law and the Bylaws, and provide their holders with any additional administrative and property rights attributed to voting shares pursuant to law.

The savings shares, which can be either bearer or registered shares at the holder's request, do not convey the right to vote at the Company's Ordinary and Extraordinary Shareholders' Meetings. Pursuant to the Bylaws, they convey the benefits and have the characteristics that are listed below in addition to those provided pursuant to law:

- a reduction in the share capital to absorb losses does not cause the par value of savings shares to decrease, except for the amount in excess of the aggregate par value of the other shares.
- The expenses incurred to protect the common interests of savings shareholders shall be defrayed through the use of a fund established by a resolution approved by a Special Shareholders' Meeting. The Company shall contribute a maximum of 10,000.00 euros per year to this fund.
- If the savings shares are delisted, they will retain all of the rights attributed to them under the Bylaws and may be converted into common shares according to the terms and conditions determined by a Shareholders' Meeting, which must be held within two months from the date of delisting.
- If the common shares are delisted, the savings shares will become convertible, upon a simple request by the shareholder, into common shares on a one-for-one basis in accordance with deadlines and conditions to be determined by the Board of Directors.
- The remainder of the earnings shown in the financial statements, after allocating 5% to the statutory reserve, which must be set aside until the reserve reaches one-fifth of the share capital, are distributed to the savings shares up to an amount that may not be greater than 5% of their par value. If in a given fiscal year the savings shares receive a dividend that is less than 5% of their par value, the difference will be brought forward and added to the preferred dividend over the following four fiscal years.
- If no dividend is distributed to the savings shares for five consecutive years, these shares can be converted one for one into common shares, upon a simple request by the shareholder, during the period from January 1 to March 31 of the sixth year.
- Any remaining earnings that the Shareholders' Meeting decides to distribute are allocated to all of the shares such that the savings shares receive a total dividend that is greater than the dividend paid to the common shares by 3% (three percent) of their par value.
- If reserves are distributed, the savings shares have the same rights as the other shares. However, if the Company has no earnings in a given year, the benefits listed above with regard to earning allocation may be provided by the Shareholders' Meeting through a resolution approving the distribution of reserves.
- Upon liquidation of the Company, the savings shareholders take precedence in the redemption of the share capital up to the full par value of their shares.

- Resolutions to issue savings shares with the same features as the savings shares outstanding, whether by way of a capital increase or the conversion of shares of another class, do not require the approval of the Special Meeting of the class of the saving shares holders.

In the event of a share capital increase, holders of common and savings shares are entitled to receive a prorated number of rights to acquire newly issued shares of the same class or, lacking such shares or for any difference, shares of another class.

Both the common shares and the savings shares are traded on the online stock market operated by Borsa Italiana Spa.

Authorizations to Carry out Capital Increases and Purchase Treasury Shares

The Board of Directors has not been granted authority to increase the Company's share capital or issue equity financial instruments, as allowed under Article 2443 of the Italian Civil Code, nor is it authorized to purchase treasury shares.

Restrictions to Transfers of Shares

The Company Bylaws contain no restrictions with regard to the transfer of the shares and contain no acceptability clauses.

SHAREHOLDER BASE

Shareholders with Significant Equity Interests

The table that follows, which is based on the data in the Shareholder Register and reflects communications received pursuant to law and other information available as of February 10, 2009, lists the Shareholders who hold, directly or indirectly (including through third parties, nominees and subsidiaries), an interest greater than 2% of the voting stock:

Shareholder	Number of common shares held	Percentage of voting shares held	Percentage of share capital
- Transalpina di Energia Srl	3,175,053,827	61.281	60.001
- Electricité de France Sa	1,003,009,126	19.359	18.955
held indirectly:			
- WGRM Holding 3 Spa	281,549,617	5.434	5.321
- MTNC Holding Srl	721,459,509	13.925	13.634
Carlo Tassara Spa	519,415,677	10.025	9.815
broken down as follows:			
- held directly	4,100,000	0.079	0.077
- held indirectly (Fincamuna Spa)	515,315,677	9.946	9.738

Special Controlling Rights

No securities that convey special controlling rights have been issued or are outstanding.

Mechanism for the Exercise of Voting Rights Within an Employee Stock Ownership System

There are no employee stock ownership systems.

Voting Right Restrictions

The Company Bylaws contain no provisions restricting the exercise of voting rights.

Significant Agreements Pursuant to Article 122 of Legislative Decree No. 58/1998

The Company is aware of the following Shareholders' Agreements, as defined in Article 122 of Legislative Decree No. 58/1998 (Uniform Financial Code):

- (i) a Framework Agreement executed on May 12, 2005 by Electricité de France Sa (hereinafter "EDF"), its WGRM Holding 4 Spa subsidiary (hereinafter "WGRM"), A2A Spa (formerly AEM and hereinafter "A2A") and its Delmi Spa subsidiary (hereinafter "Delmi") for the purpose of acquiring joint control of Edison through a 50-50 joint venture of Delmi and WGRM, subsequently identified as Transalpina di Energia (hereinafter "TdE") (which is not a party to the Agreement).
- (ii) A Shareholders' Agreement executed by the same parties concurrently with the abovementioned Agreement, which concerns the joint management and corporate governance of Edison and TdE. This Agreement is deemed to have been renewed for three years, starting on September 16, 2008, as no notice of cancellation put forth by the parties to the Agreement was received by March 15, 2008 (i.e., six months before the original expiration date of September 15, 2008).

Based on the communications provided by the contracting parties and the latest update of January 8, 2009, and following the conversion in December 2007 of all of the Edison warrants held by TdE, EDF and WGRM Holding 3 Spa, which were the subject of separate agreements, these Agreements (hereinafter referred to as the Governance Agreements), taken together, cover the following securities:

- 3,175,053,827 Edison shares held by TdE, equal to 61.28% of Edison's common share capital;
- 1,003,009,126 Edison shares held indirectly by EDF through its MNTC Holding Spa and WGRM Holding 3 Spa subsidiaries, equal to 19.36% of Edison's common share capital;
- 100% of the share capital of TdE, amounting to 3,146,000,000.00 euros, which is wholly owned on a 50-50 basis by WGRM and Delmi.

- (iii) Investment and Shareholders' Agreement executed on July 7, 2005 by A2A (formerly AEM), Dolomiti Energia Spa (hereinafter "Dolomiti Energia"), Società Elettrica Altoatesina - SEL Spa (hereinafter "SEL"), Mediobanca Spa (hereinafter "Mediobanca"), Banca Popolare di Milano Scarl (hereinafter "Banca Popolare di Milano") and Fondazione Cassa di Risparmio di Torino (hereinafter "Fondazione Cassa di Risparmio di Torino"), and a subsequent agreement amending and supplementing the earlier stipulations, which was executed on July 18, 2005 by the abovementioned parties and Enia Spa (hereinafter "Enia"). These two agreements governed the following: the inclusion of Dolomiti Energia, Mediobanca, Banca Popolare di Milano, Fondazione Cassa di Risparmio di Torino and, subsequently, Enia in Delmi's shareholder base; an increase of SEL interest in Delmi; capitalization and financing commitments by Delmi's shareholders; and the relationships between and interests of the signatories with respect to the organization and operations of Delmi and, limited to certain issues, of TdE and Edison. These Agreements shall be deemed to have been automatically renewed for three years (i.e., until July 7, 2011), as no notice of cancellation put forth by the parties to the Agreements was received during the ninety days prior to the expiration date of July 7, 2008.

Based on the latest update of April 17, 2008 and following the exercise of all of the Edison warrants held by TdE, which are covered by the Agreements at 50%, these Agreements, according to what has been communicated by the parties to the Agreements themselves, cover the following securities:

- 100% of Delmi's share capital (amounting to 1,466,868,500 euros) and, indirectly:
 - the 50% interest in the equity capital of TdE held by Delmi;
 - Edison common shares held indirectly by Delmi through TdE, equal to 50% of the total number of Edison shares held by TdE, which was equal to 1,587,526,913.5 Edison common shares (equal to 30.64% of the total number of Edison common shares).
- (iv) Shareholders' Agreement executed on July 7, 2005 by Mediobanca, Banca Popolare di Milano and Fondazione Cassa di Risparmio di Torino (Delmi's financial shareholders) covering the mutual obligation to provide information and communication of voting decisions made by the parties to the Agreement ahead of meetings of Delmi's Management Committee and of meetings of the Boards of Directors and Shareholders' Meetings of Delmi, TdE and Edison. The Agreement also governs how votes will be cast at the abovementioned meetings and the inclusion of new shareholders in Delmi's shareholder base.

This Agreement is deemed to have been renewed for a further three years, as none of the parties to it gave notice of cancellation within the stipulated deadline (the original expiration was July 7, 2008). Based on the latest update of May 17, 2008, this Agreement, according to what has been communicated by the parties to the Agreement, covers 205,361,590 Delmi shares, equal to 14% of Delmi's share capital. Abstracts of the abovementioned Shareholders' Agreements were communicated to the public and are available at the Consob website (www.Consob.it).

Change of Control Clauses

Information about significant agreements executed by Edison or its subsidiaries, as defined in Article 93 of Legislative Decree No. 58/1998, that could become enforceable or could be subject to change or cancellation in the event of a change in Edison's control is provided below:

Financing Facilities

A change of control, which shall be understood to have occurred if control is gained by parties other than those included in the groups that comprise Edison's current chain of control, could have a material impact on the 1,500-million-euro financing facility provided to Edison by a pool of banks (see the notes to the financial statements). The occurrence of a change of control could trigger the enforcement of conditions requiring early repayment if a majority of the lender banks can reasonably prove that the new ownership structure would render Edison unable to perform its contractual obligations or, otherwise, impair the contract's validity and performance.

Commercial Agreements

If it resulted in a downgrading of Edison's credit rating, a change in the parties that exercise control over Edison could have a material impact on the following contracts:

- annual natural gas transmission contract executed with Snam Rete Gas on September 19, 2007: in order to maintain access to the transmission infrastructures, Edison would be required to provide a bank guarantee enforceable on sight for an amount equal to one-third of the maximum annual fee payable for transmission capacity;
- regasification contract executed with Terminale GNL Adriatico Srl on May 2, 2005 for a term of 25 years counting from the date of the first LNG delivery to the terminal: in order to maintain access to the transmission infrastructure, Edison would be required to provide a bank guarantee enforceable on sight for an amount equal half the maximum annual fee payable.

Insofar as long-term natural gas supply contracts are concerned, two contracts to import natural gas signed with Sonatrach (an Algerian state company) on July 25, 2006 and November 15, 2006, respectively, are relevant with regard to change of control. The first contract went into effect during the second half of 2008, upon completion of the first phase of the expansion of the natural gas pipeline that links Algeria with Italy by way of Tunisia. The second contract will become effective once Galsi (a company owned by Sonatrach, Edison and other partners) completes the construction of a pipeline linking Algeria with Sardinia and Tuscany, which is currently in the development phase (see the notes to the financial statements). Both contracts contain stipulations whereby Sonatrach can cancel the contract without being required to pay compensation if there is a change in Edison's control.

Shareholders' Agreements

The shareholders' agreement signed on July 3, 2008 by Edison International Holding NV (100% Edison Spa), Hellenic Petroleum Sa and Hellenic Petroleum International Ag, the subject of which is Elpedison BV (formerly Edison Nederland BV - a company owned 50% by Edison International Holding and 50% by Hellenic Petroleum International), to which two Greek combined-cycle power plants (one under construction in Thisvi and one already being operated by T-Power) will be conveyed in 2009, contains a clause whereby, should Edison cease to be the controlling shareholder of Edison International Holding NV, Hellenic Petroleum Sa shall have the right to exercise a call option for 50% of the equity interest at a price determined in accordance with criteria set forth in the shareholders' agreement.

Controlling Entity and Management and Coordinatio Authority

The Company is controlled by TdE, which, pursuant to the definition provided in Article 93 of Legislative Decree No. 58/1998, is not controlled by any individual or legal entity. For the sake of full disclosure, it should be noted that TdE is owned in equal shares by two partners: WRGM, a wholly owned subsidiary of EDF, and Delmi, a subsidiary of A2A. Delmi's other shareholders are: Enia (15%), SEL (10%), Dolomiti Energia (10%), Mediobanca (6%), Fondazione Cassa di Risparmio di Torino (5%), and Banca Popolare di Milano (3%).

TdE, the Company's controlling shareholder, does not exercise management and coordination authority over Edison Spa. Specifically, TdE has been configured as an equity investment holding company without an independent organizational structure. Consequently, it does not exercise single management authority over Edison, owing also to the fact that the Governance Agreements, by establishing TdE as a joint venture, granted to the parties to the agreements symmetrical and equal powers with regard to the composition and operating procedures of the corporate governance and oversight bodies of TdE and Edison.

As required under Article 2497 *bis* of the Italian Civil Code, virtually all of the Company's direct and indirect Italian subsidiaries, except in certain special cases, have identified Edison Spa as the entity that exercises oversight or coordinating authority over their operations. The only exceptions are some companies in which other shareholders also hold an equity interest and some subsidiaries that are subject to permanent restrictions (such as the special management companies or the companies going bankrupt).

OTHER INFORMATION

Severance Indemnities for Directors

The Company is not a party to any agreements with Directors calling for the payment of severance indemnities in the event of resignation or cancellation of appointment/assignment or if the relationship is terminated due to a tender offer.

Provisions Applicable to the Activities of Shareholders' Meetings

The process of convening and holding Shareholders' Meetings is governed by Title III (Shareholders' Meetings) of the Bylaws, a copy of which is available at the company website (www.edison.it – Governance – Bylaws) and is annexed to this Report. Additional information is provided in the relevant section of this Report ("Shareholders' Meeting").

Provisions Applicable to the Composition and Activities of the Company's Governance Bodies

The composition and activities of the Company's governance bodies are governed by Articles 14 (Board of Directors), 16 (Corporate Officers - Committees), 18 (Procedures for Convening and Holding Meetings of the Board of Directors and Approving Resolutions) and 22 (Board of Statutory Auditors) of the Bylaws, a copy of which is available at the company website (www.edison.it - Governance - Bylaws) and is annexed to this Report. Additional information is provided in the relevant sections of this Report ("Board of Directors," "Establishment and Rules of Operation of the Committees of the Board of Directors" and "Board of Statutory Auditors").

Provisions Applicable to the Election and Replacement of Directors

The election and the replacement of Directors is governed by Article 14 (Board of Directors) of the Bylaws, a copy of which is available at the company website (www.edison.it - Governance - Bylaws) and is annexed to this Report. Additional information is provided in the relevant sections of this Report ("Board of Directors" and "Election of Directors").

Provisions Applicable to Amendments to the Bylaws

Pursuant to Article 11, the Bylaws may be amended only by a resolution adopted by an Extraordinary Shareholders' Meeting, which shall be deemed to have been duly convened on the first, second or third calling if it is attended by shareholders representing more than half of the Company's common shares, and resolutions may be adopted by a favorable vote of shareholders holding at least two-thirds of the share capital represented at the Meeting.

CORPORATE GOVERNANCE

ADOPTION OF CORPORATE GOVERNANCE CODE

Upon the listing of its shares, which occurred in December 2002 subsequent to the absorption of Montedison (a publicly traded subsidiary), the Company adopted the rules of conduct of the Corporate Governance Code promoted by Borsa Italiana, thereby configuring its system of corporate governance, which is the set of standards and behavior guidelines deployed to ensure the efficient and transparent functioning of its corporate governance and internal control systems (derived from those used by Montedison, its publicly traded subsidiary), consistent with the recommendations of the abovementioned Code. This system was changed from time to time to reflect amendments to the Code and, with the exceptions mentioned below, is consistent with the rules set forth in the 2006 edition of the Code. The Code is available on the website of Borsa Italiana (www.borsaitalia.it).

Moreover, the main rules of corporate governance are set forth in the Governance Agreements (as defined below) implemented to reflect the controlling shareholder structure adopted by the Company on September 16, 2005, when TdE, a joint venture of EDF and Delmi, a 51% subsidiary of A2A became the Company's majority shareholder. These rules have been incorporated into Edison's Bylaws, as amended by Edison's Shareholders' Meeting on December 13, 2005 and again on June 26, 2007. Consistent with the Governance Agreements, this was done to provide the utmost transparency and facilitate the understanding by the financial markets of the Company's rules of corporate governance by incorporating the rules directly in a legal document that, because of the specific disclosure requirements that govern it, is best suited to achieve the desired objective.

This section of the Report incorporates an illustration of the corporate governance structure reviewed by the Board of Directors on February 11, 2009. It also lists, as they apply, the relatively few recommendations of the Code that the Board of Directors chose not to implement and explains the reasons why. This section also provides the disclosures required by the laws and regulations that apply to corporate governance.

GOVERNANCE STRUCTURE

Consistent with its status as a company under Italian law with shares traded on a stock exchange that follows the guidelines of the Code, Edison has adopted a system of corporate governance, based on a conventional organizational model, that comprises: the Shareholders' Meeting, the Board of Directors (which operates through the Directors who have executive authority and are empowered to represent the Company, and is supported by an Audit Committee, a Compensation Committee and a Strategy Committee), the Board of Statutory Auditors and the Independent Auditors.

The Shareholders' Meeting is the means by which Shareholders, through their vote on resolutions, express their will. Resolutions adopted pursuant to law and the Company's Bylaws are binding on all Shareholders, including absent or dissenting Shareholders. However, when permitted, dissenting Shareholders have the right to demand redemption of their shares. The Shareholders' Meeting is convened to adopt resolutions on issues that the law reserves for its jurisdiction in accordance with the laws and regulations that apply to publicly traded companies.

The role of the Board of Directors is to define the strategic guidelines that must be followed by the Company and the Group under the Company's control and is responsible for governing its business operations. Accordingly, it enjoys the most ample powers to carry out all actions, including acts of disposition, that it may deem useful for the furtherance of the corporate purpose, the sole exception being those that the law expressly reserves for the Shareholders' Meeting.

The Board of Statutory Auditors monitors the Company's compliance with the applicable laws and its

Bylaws and has a supervisory function with regard to the actions of management, being specifically required to ensure that the principles of sound management are being followed, the structure of Company's organization is adequate, the Code's guidelines are effectively implemented, transactions with related parties are carried out fairly, and the subsidiaries have been given appropriate instructions concerning the obligation to disclose insider information to the market. Pursuant to law, it is not responsible for accounting oversight, which is entrusted to independent auditors selected by the Shareholders' Meeting from those listed in a special register maintained by the Consob.

The independent auditors ascertain whether the accounting records are properly maintained and record faithfully the results from operations. They also determine whether the statutory financial statements and the consolidated financial statements are consistent with the data contained in the accounting records and the results of their audits and comply with the requirements of the applicable statutes. They may also perform additional reviews required by industry regulations and provide additional services that the Board of Directors may ask them to perform, provided they are not incompatible with their audit assignment.

The Company's corporate governance structure also includes a system of internal controls, the Company's Code of Ethics and the procedures for allocating and delegating authority, which are described below.

BOARD OF DIRECTORS

Roles and Attributions

The Board of Directors is responsible for managing the Company directly or by delegating some of its attribution to other governance bodies. Under the Bylaws and pursuant to a resolution adopted by the Board of Directors on April 2, 2008, in order to strengthen the Board's management role, in addition to those attributions that are reserved for the Board pursuant to law and cannot be delegated to individual Directors, the Board of Directors has sole jurisdiction over the following particularly significant matters:

- decisions concerning the Company's share capital;
- decisions concerning the approval or revision of Edison's business plan and budget;
- opening and closing of Edison secondary headquarters;
- designation of the Directors authorized to represent Edison;
- reduction of the Company's share capital when shareholders request redemption of their shares;
- amending Edison's Bylaws to comply with statutory requirements;
- mergers and demergers involving wholly owned and 90% owned subsidiaries;
- bond issues;
- purchases or acts of disposition of property, other investments, contracts or transactions involving an amount that exceeds 30 million euros per transaction or series of related transactions, except for the execution of contracts to sell or buy natural gas (provided they have a duration of 12 months or less or, if longer, involve an amount smaller than 30 million euros), electric power, other raw materials and securities representing green certificates or rights to release CO₂ emissions, with respect to which there is no limit as to the amounts for which power may be delegated;
- conveyances or other acts of disposition of equity investments that will result in the Company's losing control of a subsidiary;
- other purchases, conveyances or other acts of disposition of companies or business operations and investments and interests in other companies, businesses or institutions involving an amount that exceeds 30 million euros per transaction or series of related transactions or a total annual aggregate amount of up to 200 million euros;
- decisions concerning the exercise of voting rights at Shareholders' Meetings of subsidiaries, except for votes involving issues specifically identified beforehand by the Board of Directors;
- execution of joint venture and partnership contracts;

- granting and canceling of encumbrances, pledges, collateral, sureties and other guarantees and similar rights on intangible and tangible assets, also for the benefit of third parties, involving an amount in excess of 30 million euros per transaction or series of related transactions or a total annual aggregate amount in excess of 200 million euros;
- granting, receiving or repaying ahead of schedule financing facilities, assumption of debt and other financial transactions of any type (other than the investment of liquidity in financial instruments traded in the money market and derivatives executed to hedge foreign exchange, interest rate and commodity price risks) involving an amount in excess of 200 million euros per transaction or series of related transactions;
- decisions concerning court proceedings involving an amount that exceeds 30 million euros;
- appointing and dismissing Edison's Chief Financial Officer.

The authority of the Board of Directors over the approval of the abovementioned issues extends to Edison's subsidiaries as well, except for the following: statutory and consolidated financial statements, budgets, business plans, secondary headquarters, authorization to Directors to represent their company, amendments to Bylaws to comply with statutory requirements and appointing and dismissing Edison's Chief Financial Officer.

In addition, at a meeting held on April 2, 2008, the Board of Directors reaffirmed the decision to reserve for its exclusive jurisdiction all significant transactions with related parties, which it specified would include (as explained in greater detail in the sections that deal with Equity Investments of Directors and Transactions with Related Parties) transactions with TdE, the Company's controlling shareholder, TdE's shareholders, the shareholders of TdE's shareholders and Group companies owned by these parties, all of which have been classified as "Significant Parties."

Lastly, the Board of Directors adopted an internal rule of conduct whereby its approval is required for financial transactions and investments and divestitures that, irrespective of the value of each individual transaction, exceed in the aggregate their corresponding total amount in the approved consolidated budget when their aggregate amount exceeds 200 million euros in a given fiscal year.

In 2003 and 2004, the Board of Directors approved the issuance of bonds and bonds totaling 1,200 million euros in face value were still outstanding at the end of 2008. The characteristics of outstanding bond issues are listed in the Notes to the Separate Financial Statements.

The Board of Directors also has jurisdiction over the delegation of authority to Directors who perform executive functions and the determination of the compensation payable to Directors who perform special assignments or serve on Committees. It is also responsible for assessing the effectiveness of the Company's organization and its administrative and accounting system, with special emphasis on the system of internal controls (a task delegated by the Board to the Chief Executive Officer, as explained elsewhere in this Report), and for the resolution of conflicts of interest. Information about the actions and assessments of the Board of Directors with regard to these issues is provided in the comments listed in the corresponding sections of this Report.

Lastly, as required by the Code, it has been for a long time an established practice of the Board of Directors to review on a regular basis the Company's operating performance and compare actual and planned results. As a rule, this comparison is made when financial statements for a reporting period are approved.

Even though the professional expertise of the members of the current Board of Directors has made them fully capable of understanding the obligations and responsibilities inherent in the office they hold, the Directors receive regular updates about changes in the regulatory framework and their obligations.

In the area of non-compete obligations, we wish to point out that the Shareholders' Meeting (which under the Bylaws has the authority to activate such obligations when electing Directors, should it deem it necessary) did not avail itself of this right and that, in the course of the year, the Board of Directors did not uncover any issues worthy of the attention of the Shareholders' Meeting.

Composition

The Bylaws, as amended by the Shareholders' Meeting on June 26, 2007, require that the Company be managed by a 12-member Board of Directors. However, if one or more slates are filed by minority shareholders and voted by the Shareholders' Meeting pursuant to Article 147-*ter* of Legislative Decree No. 58/1998, the number of Directors may be increased to 13 in order to provide a seat on the Board of Directors for a Director elected by minority shareholders. The new Bylaws also require that at least two Directors meet the independence requirements set forth in the applicable laws and regulations.

The current Board of Directors, which was elected by slate voting on April 2, 2008, has 13 members. They are: Giuliano Zuccoli (Chairman), Umberto Quadrino (Chief Executive Officer), Marc Boudier, Daniel Camus, Mario Cocchi, Gregorio Gitti, Pierre Gadonneix, Gian Maria Gros-Pietro, Marco Merler, Renato Ravanelli, Paolo Rossetti and Gerard Wolf, who were elected by the abovementioned Shareholders' Meeting for three years (i.e., until the Shareholders' Meeting convened to approve the 2010 Annual Report), and Andrea Viero, who was coopted by the Board of Directors on November 12, 2008 to replace Ivan Strozzi, who resigned. Mr. Viero's term of office will end on the occasion of the next Shareholders' Meeting. All Directors, with the exception of Mario Cocchi, were elected from the slate filed by TdE, the majority shareholder. Mr. Cocchi was elected from the only minority slate filed by Fincamuna (Carlo Tassara Group).

The Board of Directors in office until April 2, 2008, which is the date when their term of office expired, had 12 members because the Shareholders' Meeting of October 28, 2005 voted to elect a number of Directors that was consistent with the Governance Agreements that went into effect in September 2005, which still set at 12 the number of Edison Directors, including 10 representing TdE (of which five designated by EDF and WGRM and five designated by Delmi) and two independent Directors designated one each by EDF/WGRM and Delmi.

Until April 2, 2008, the Directors in office were: Giuliano Zuccoli (Chairman), Umberto Quadrino (Chief Executive Officer), Marc Boudier, Daniel Camus, Giovanni De Censi, Pierre Gadonneix, Gian Maria Gros-Pietro, Mario Mauri, Renato Ravanelli, Klaus Stocker and Gerard Wolf (who were elected by the Shareholders' Meeting on October 28, 2005) and Ivan Strozzi, who was coopted by the Board of Directors on December 6, 2006 to replace Uris Cantarelli and was subsequently elected by the Shareholders' Meeting on April 5, 2007.

In a table provided at the end of this Report the posts held at publicly traded companies and in financial, banking and insurance companies of significant size by the Company's Directors in office at December 31, 2008 are listed.

Choosing not to adopt the Code's recommendations, the Board of Directors refrained from expressing an opinion on the maximum number of posts that may be held, compatibly with the effective performance of the duties of a Director of Edison, since it believes that such a determination is primarily a consideration that the shareholders should make when electing Directors and, secondarily, a decision incumbent on each Director when accepting an appointment.

Meetings and Rules of Operation

Meetings of the Board of Directors may be convened by the Chairman or the Chief Executive Officer by means of a written communication, which must be sent at least five days in advance, or at least two days in urgent cases.

Meetings of the Board of Directors may be held via teleconferencing or videoconferencing, provided all participants can be identified and are able to follow the proceedings, participate in real time in the discussion of the items on the Agenda and receive, transmit and review documents.

A meeting of the Board of Directors is validly convened when at least ten Directors are in attendance and approves resolutions by a favorable vote of at least ten Directors.

However, the Board of Directors can adopt valid resolutions even if a meeting has not been formally convened, provided all serving Directors and Statutory Auditors are present, or at least 10 (ten) of the Directors and a majority of the Statutory Auditors are present, and the Agenda of the meeting has been communicated in advance to the absent Directors and Statutory Auditors in writing and they have agreed to allow these items to be discussed.

As a rule, Directors and Statutory Auditors must be provided with notices of meetings and documents explaining the items on the Agenda on a timely basis, except in urgent cases and in instances when there is a particular need for confidentiality. In such cases, however, there must be an exhaustive discussion of the items on the Agenda.

In 2008, the Board of Directors met eight times, with each meeting lasting about two hours. The average attendance of Directors at Board meetings was 97.06%. A breakdown is provided below:

Directors	Number of Board meetings attended in 2008	Percentage
<i>Directors in office</i>		
Giuliano Zuccoli	7 out of 8	87.50
Umberto Quadrino	8 out of 8	100
Marc Boudier	8 out of 8	100
Daniel Camus	8 out of 8	100
Mario Cocchi	6 out of 6	100
Pierre Gadonneix	6 out of 8	75
Gregorio Gitti	6 out of 6	100
Gian Maria Gros-Pietro	8 out of 8	100
Renato Ravanelli	8 out of 8	100
Paolo Rossetti	6 out of 6	100
Andrea Viero	2 out of 2	100
Gerard Wolf	8 out of 8	100
<i>Director no longer in office</i>		
Giovanni De Censi	2 out of 2	100
Mario Mauri	2 out of 2	100
Klaus Stocker	2 out of 2	100
Ivan Strozzi	6 out of 6	100

The attendances of the Statutory Auditors at 2008 Board meetings are indicated in the table present in the section "Board of Statutory Auditors - Rules of Operation".

A calendar of meetings of the Board of Directors to be held the following year to review annual and interim results is communicated annually to Borsa Italiana in December of each year and posted on the Company website (www.edison.it - Investor Relations-Financial Calendar). The Company has scheduled the Board meetings convened to approve the Annual Report and Semiannual Report at an earlier date than in 2007. Thus far, a total of five meetings have been scheduled for 2009, of which one has already been held.

Self Assessment by the Board of Directors and Its Committees

In 2008, differently from 2007, the Board of Directors did not conduct a self assessment process, choosing instead to postpone the assessment to the year following the election of new Directors.

EXECUTIVE DIRECTORS

Pursuant to the Bylaws and unless preempted by the Shareholders' Meeting, the Board of Directors has the right to select its Chairman. It can also delegate its powers to one of its members and appoint an Executive Committee and other committees with specific functions, defining their tasks, powers and rules of operation.

Moreover, the Governance Agreements require that Delmi nominate the candidate to the post of Chairman and EDF nominate the candidate to the post of Chief Executive Officer. The abovementioned Agreements, as incorporated into the Bylaws, also define the powers of these two officers.

Under the Bylaws, the Chairman and the Chief Executive Officer represent the Company vis-à-vis third parties and in judicial proceedings. Under the Bylaws, as mentioned earlier, both also have the power to call meetings of the Board of Directors and set the agenda for each meeting. The Chairman, or the person designated to replace the Chairman when he is absent or otherwise unavailable, chairs meetings and coordinates the Board's activities.

As was the case for his previous term of office, the current Chairman, Giuliano Zuccoli, was elected by the Shareholders' Meeting, which had been convened on April 2, 2008. On the same date, the Board of Directors reelected Umberto Quadrino Chief Executive Officer, who served in this capacity during the previous terms of office of the Board of Directors.

Consistent with the recommendations of the Code and with the practice followed for the previous three years, upon being elected on April 2, 2008, the Chairman was not provided with operational authority, as he was given jurisdiction over institutional, guidance and control issues.

The Chief Executive Officer was given the most ample powers to manage the Company. Consequently, acting without the support of an additional signatory, he can carry out any actions that are consistent with the corporate purpose, subject to statutory limitations and excluding those transactions that, as indicated above, the Bylaws and resolutions adopted by the Board of Directors have placed under the Board's sole jurisdiction.

At its February 19, 2007 meeting, the Board of Directors delegated to the Chief Executive Officer the task of overseeing the functionality of the system of internal controls, asking him also to identify the main corporate risks and ascertain that the system is adequate, effective and efficient, as explained in greater detail in the System of Internal Controls section of this Report.

Therefore, based on the foregoing considerations, only Umberto Quadrino, the Company's Chief Executive Officer, qualifies as an Executive Director according to the Code.

Pursuant to law and the Code, the Bylaws require that the officers to whom power has been delegated report to the Board of Directors and the Board of Statutory Auditors on at least a quarterly basis to explain the work performed in the exercise of their powers. In addition, the Chief Executive Officer has been following for some time the specific practice of including in the Agenda of each meeting of the Board of Directors, irrespective of the time that elapsed from the previous meeting, a report by the CEO on the Company's operations and on major transactions executed by the Company and its subsidiaries that did not require the prior approval of the Board of Directors.

INDEPENDENT DIRECTORS

The current Board of Directors includes three Directors who meet statutory independence requirements and qualify as independent in accordance with the guidelines provided by the Code. They are: Mario Cocchi, Gregorio Gitti e Gian Maria Gros-Pietro.

Pursuant to the abovementioned regulation, the Board of Directors in office until April 2, 2008 included two independent Directors: Giovanni De Censi and Gian Maria Gros-Pietro.

The Board of Directors chose not to designate a lead independent Director, since it did not believe that the Code's requirements for such a designation exist at this time.

In accordance with the procedure adopted by the Board of Directors to verify the independence of Directors, Directors must declare their eligibility to qualify as independent Directors when slates of candidates for election are filed and when they accept their nomination, and their credentials are verified by the Board of Directors at the first meeting held after their nomination. An independent Director must also undertake to inform promptly the Board of Directors of any situation that could undermine his or her ability to meet the independence requirement. Upon approving the Report on Corporate Governance and the Company's ownership structure, the Board of Directors renews the request for credentials from the independent Directors and reviews any additional information supplied by them. Starting in 2006, specific attention was paid to the new definition of independent Director provided by the Code and, from 2008, to the one provided by the Legislative Decree No. 58/1998.

The Board of Statutory Auditors verifies that the vetting criteria and procedures adopted by the Board of Directors to assess every year the independence of its members are properly applied and reports its findings in its Report to the Shareholders' Meeting.

No meetings reserved exclusively for independent Directors were held in 2008 waiting for the definition of the relevant competence by the regulations to be issued about that matter.

APPOINTMENT OF DIRECTORS

In view of the current structure of the Company's shareholder base and considering the corporate governance rules adopted as a result, there appears to be no need for a Nominating Committee.

The amendments to the Bylaws approved by the Shareholders' Meeting in June 2007 introduced the requirement that Directors be elected on the basis of slates of candidates, so as to allow minority shareholders to elect one Director. Only shareholders who, alone or in combination with other shareholders, represent in the aggregate a percentage of the common share capital equal at least to 1%, based on the Company's stock market capitalization, are entitled to file a slate of candidates, provided the filers are not linked directly or indirectly with the controlling shareholder, its direct or indirect shareholders or other companies in the various groups to which each company belongs.

As required by the issued regulations published by the Consob and in accordance with the Code's recommendations, the new Bylaws also require that nomination proposals be filed at the Company's registered office at least 15 days before a Shareholders' Meeting. The proposals must be accompanied by the following documents: information disclosing the identity of the parties filing slates of candidates; if applicable, an affidavit stating that the filers are not linked to the controlling shareholder, its shareholders and group companies belonging to said shareholders; professional curricula of each candidate, listing any management and control posts held at any other companies and indicating whether a candidate qualifies as an independent Director pursuant to the applicable laws; affidavits by which the candidates attest that there

are no issues that would make them incompatible or unelectable or would cause them to be removed from office, that they meet the requirements for election as Directors pursuant to current law and the Bylaws and that they accept the nomination. In any case, the Bylaws foresee that individuals who do not meet the requirements of the applicable law and the Bylaws or would be unelectable or would be subject to removal from office pursuant to the relevant laws and regulations may not be elected.

The nominations of candidates for the current Board of Directors and the curricula vitae of the candidates were filed at the Company's registered office by TdE, the Company's controlling shareholder, which at that time owned 61.28% of the voting shares, and by the shareholder Fincamuna Spa (Carlo Tassara Group), which at the time it filed its slate owned 9.946% of the voting shares, 15 days before the date of the Shareholders' Meeting, together with the documents required pursuant to the Bylaws. No other shareholder had filed its slate. At the same time, the curriculum vitae of each Director and the abovementioned documents were posted on the Company website (www.edison.it - "Governance - Board of Directors"). Moreover, the main documents required for filing slates of candidates pursuant to the Bylaws and applicable regulations were combined in a document that was made available by posting it on the Company website (www.edison.it - "Investor Relations - Documents and Prospectuses - 2008 Archive") 15 days before the date of the Shareholders' Meeting.

In accordance with the provisions of the Bylaws in effect at that time, which did not require the use of slate voting, the Board of Directors that was in office until the approval of the 2007 Annual Report had been elected based on a motion that TdE, the Company's controlling shareholder, filed sufficiently in advance of the Shareholders' Meeting.

COMPENSATION OF DIRECTORS

The compensation of Directors was determined by the Shareholders' Meeting that elected them on April 2, 2008. It consists of a fixed annual fee payable to each Director and a supplemental fee paid for each meeting attended by each Director. The compensation of Directors that perform special functions or are members of Board Committees was determined by the Board of Directors on July 25, 2008, upon a proposal by the Compensation Committee and based on the input of the Board of Statutory Auditors. As was the case during the previous three years, the Chairman receives exclusively a fixed compensation. Given the nature of the Chairman's current tasks and functions, which are not related to the Company's regular operations, a compensation tied to the Company's performance would not have been appropriate at this time.

As for the Chief Executive Officer, he was awarded, as in the past, compensation consisting of a fixed portion and a variable portion tied to the achievement of short-term and medium-term objectives set by the Board of Directors, upon a proposal by the Compensation Committee. The Board of Directors reaffirmed the resolution adopted for the previous term of office, agreeing that the weight of the fixed portion will be reduced, compared with that of the variable portion, since the latter is more closely related to the results achieved in managing the Company. In addition, the Board of Directors again offered the Chief Executive Officer a long-term incentive, which will be payable at the end of his 2008-2010 term of office if certain strategically significant objectives are achieved and will be based on a comparison of the Company's performance vis-à-vis that of other appropriately selected companies.

Lastly, with regard to the members of the Committee, the Board of Directors confirmed the amounts provided during the previous three years, continuing the practice of awarding to each member the same amount, but changing the amount of compensation for each Committee to take into account the different level of required commitment.

The compensation of the abovementioned Directors is listed in the table provided in the section of this Report entitled "Compensation Received by Directors and Statutory Auditors."

ESTABLISHMENT AND RULES OF OPERATION OF THE COMMITTEES OF THE BOARD OF DIRECTORS

In 2002, upon becoming eligible to list its shares, the Company established an Audit Committee and a Compensation Committee within its Board of Directors. A Strategy Committee followed in 2003. The Governance Agreements call for the continued use of these Committees, specifying that each Committee must have four members, two appointed by EDF/WGRM and two appointed by Delmi.

The Code's requirement that the independent Directors constitute a majority of members of Committees of the Board of Directors was complied only with respect to the Compensation Committee. This decision is consistent with the provisions of the Governance Agreements that apply to the designation of members of the Committees of the Board of Directors.

A broad outline of the powers attributed to each Committee is defined in the Governance Agreements. They were later specified and formally established by the Board of Directors at meetings held on May 13, 2008 and July 25, 2008, making them consistent with the Code's guidelines.

All Committees serve merely as a source of recommendations and assist the Board of Directors in studying subjects that fall within their area of expertise.

Each Committee developed its internal operating rules. These rules were later submitted to the Board of Directors for approval.

Committees may adopt resolutions only with an absolute majority of the votes cast by its members (i.e., at least three of its members). Each Committee relies on the support of the appropriate corporate department for the purpose of organizing its meetings. A Secretary of the Committee must draw up minutes of each Committee meeting.

Committee members are entitled to have access to any information and corporate department that they may need to perform their duties and, if appropriate, may retain outside consultants.

Even though the Board of Directors did not approve a specific budget for each Committee, the Committees must have access on each occasion to the financial resources needed to discharge their duties.

Each Committee must provide regular reports to the Board of Directors on the work they are performing.

STRATEGY COMMITTEE

The Strategy Committee, appointed on May 13, 2008, is comprised of four Directors, three of whom do not have executive authority. Its members are: Giuliano Zuccoli (Chairman), Marc Boudier, Umberto Quadrino (Director with executive authority) and Renato Ravanelli.

Until April 2, 2008, the following Directors served on the Strategy Committee: Giuliano Zuccoli (Chairman), Marc Boudier, Mario Mauri and Umberto Quadrino.

The Board of Directors assigned to the Strategy Committee the task of developing, assessing and submitting to the Board of Directors strategic options for Edison and its Group companies. When appropriate, the Committee may rely on the support of external consultants paid by the company.

The Chief Financial Officer and the Chief Operating Officer of the Company, acting in a consulting capacity, may also attend meetings of the Strategic Committee. The Chairman of the Strategic Commit-

tee and the Chief Executive Officer may each invite another Director to attend meetings in a consulting capacity. In addition, employees and independent experts may be invited to attend meetings from time to time, also in a consulting capacity.

The Strategy Committee meets on a regular basis, preferably a few days in advance of meetings of the Board of Directors for which it is required to provide preparatory work in its areas of expertise.

In 2008, the Committee met four times and one time in the first months of 2009, focusing on reviewing and discussing the Budget and Business Plan and evaluating the Company's principal investments and strategic projects, the Group's international expansion strategy, projects to acquire/dispose of assets or transfer/reallocate equity investments and significant issues pertaining to the preparation of financial statements.

The average attendance of Directors at Committee meetings was 93.75%. A breakdown is provided below:

Committee members	Number of Committee meetings attended in 2008	Percentage
<i>Directors in office</i>		
Giuliano Zuccoli	4 out of 4	100
Marc Boudier	3 out of 4	75
Umberto Quadrino	4 out of 4	100
Renato Ravanelli	2 out of 2	100
<i>Director no longer in office</i>		
Mario Mauri	2 out of 2	100

As a rule, the Strategy Committee reports to the Board of the Directors at the first Board meeting held after each Committee meeting.

COMPENSATION COMMITTEE

The Compensation Committee established on May 13, 2008 is comprised of four non-executive Directors, including three independent Directors. Its members are: Gregorio Gitti (Chairman and independent), Marc Boudier, Mario Cocchi (independent) and Gian Maria Gros-Pietro (independent).

Until April 2, 2008, the Compensation Committee was comprised of the following four Directors: Mario Mauri (Chairman), Marc Boudier, Giovanni De Censi (independent) and Gian Maria Gros-Pietro (independent).

The current Board of Directors, based also on recommendations provided by the Committee, assigned to the Compensation Committee the following tasks:

- a) submit recommendations and/or proposals to the Board of Directors and monitor their implementation concerning: (i) the compensation of the Chairman of the Board of Directors, the Chief Executive Officer and Directors who perform special functions within the Company or receive special assignments from time to time or serve on Company Committees; (ii) stock option plans or share allocation plans or other long-term compensation systems and benefits; (iii) at the request of the Board of Directors, the compensation policies applicable to senior executives of the Company or the Group. When appropriate, the Audit Committee can perform all of these tasks using the support of external consultants paid by the Company.
- b) Review proposals by the Chief Executive Officer concerning the compensation of the Chief Financial Officer and the Chief Operating Office and render an opinion about such proposals.

From time to time, the Chairman of the Committee, may invite employees and independent experts to attend meetings in a consulting capacity. The Chairman and the Chief Executive Officer may not be present when the Committee discusses motions involving compensation of these two officers.

In 2008, the Compensation Committee met four times. On those occasions it defined the objectives the achievement of which will be tied to the variable portion of the compensation payable to the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer in 2008 and verified whether the objectives set for 2007 had been achieved and, limitedly to the Chief Operating Officer who held his office up to October 31, 2008, also for 2008. In addition, it determined the amount of the Chief Executive Officer's long-term incentive for the 2006-2007 period and developed a proposal for a second cycle of a long-term cash incentives for the three-year period from 2008 to 2010, based on the Regulations approved by the Board of Directors in 2007, which will be available to the Chief Executive Officer, key executives and some high potential professionals who serve in important positions, as an alternative to the stock option plan offered to management in the past. The Board of Directors approved and implemented the proposals over which it has jurisdiction. During the early months of 2009, the Committee held one meeting. On that occasion, it quantified the variable component of the 2008 compensation payable to the Chief Executive Officer and the Chief Financial Officer and started to review the 2009 scenario to be taken into account for the definition of the targets upon which their variable compensation for 2009 will be based.

The Committee submitted its proposals for approval to the Board of Directors when they concern the Chief Executive Officer and the Chairman and reported to the Chief Executive Officer its evaluations concerning the Chief Operating Officer, the Chief Financial Officer and management in general.

The average attendance of Directors at Committee meetings was 100%. A breakdown is provided below:

Committee members	Number of Committee meetings attended in 2008	Percentage
<i>Directors in office</i>		
Gregorio Gitti	3 out of 3	100
Marc Boudier	4 out of 4	100
Mario Cocchi	3 out of 3	100
Gian Maria Gros-Pietro	4 out of 4	100
<i>Directors no longer in office</i>		
Mario Mauri	1 out of 1	100
Giovanni De Censi	1 out of 1	100

All Committee meetings were attended by a Statutory Auditor (usually, the Chairman of the Board of Statutory Auditors).

AUDIT COMMITTEE

The Audit Committee appointed on May 13, 2008 is comprised of four non-executive Directors, including one independent Director. Its members are: Daniel Camus (Chairman), Gian Maria Gros-Pietro (independent), Marco Merler and Ivan Strozzi, who was replaced by Andrea Viero on November 12, 2008.

Its current membership is consistent with the guidelines of the Code, which recommends that at least one of its members should be experienced in accounting and financial issues (the Chairman Daniel Camus).

Until April 2, 2008, the Audit Committee was comprised of the following four non-executive Directors, including one independent Director: Daniel Camus (Chairman), Ivan Strozzi, Gian Maria Gros-Pietro (independent) and Klaus Stocker.

Consistent with the powers it received from the Board of Directors and recommendations put forth by committee members, this Committee makes proposals and provides advice on the following matters:

- a) together with the Corporate Accounting Documents Officer and the Independent Auditors, it assesses the correct utilization of the accounting principles and their consistency with those used in the consolidated financial statements and reviews the accounting treatment of the principal corporate transactions, particularly with regard to their effect on financial reporting;
- b) it helps the Board of Directors in assessing the effectiveness of the system of internal controls and the risk management process, relying for this purpose on the support of the Internal Control Officer, a function performed by the Manager of the Internal Control Systems Department;
- c) it reviews the work plan submitted by the Internal Control Officer and the reports provided periodically by the Internal Control Officer with regard to the items listed in the preceding paragraph;
- d) upon request by the Board of Directors or the Director responsible for overseeing the functionality of the system of internal controls, it provides opinions concerning specific aspects of the system of internal controls and the risk management system;
- e) it evaluates the work programs for independent audits and reviews the findings of audit reports and the suggestions contained in the management letter;
- f) it carries out all other tasks assigned to it by the Board of Directors;
- g) it reports regularly to the Board of Directors at least semiannually, when the Annual Report and the Semiannual Report are approved, on the work it has performed and on the effectiveness of the Company's system of internal controls.

The Chairman of the Board of Statutory Auditors or another Statutory Auditor that he designates, the Chief Financial Officer and the Chief Operating Officer (the latter in a consulting capacity) may also attend meetings of the Audit Committee. From time to time, the Chairman of the Committee may also invite employees and independent experts, including a representative of the Independent Auditors, to attend meetings in a consulting capacity.

The Committee met six times in 2008 and held a meeting in the first two months of 2009. On those occasions it reviewed the following:

- the 2007 and 2008 Consolidated Annual Reports; 2008 Semiannual Report and Quarterly Reports for the first and third quarters of 2008, as well as the Independent Auditors' findings on the Annual Report and Semiannual Report;
 - the financial portions of the 2008 projected data and the 2009-2014 Plan prior to their submission to the Board of Directors;
 - the risk limits and the map of the main risks (Enterprise Risk Management project);
 - the progress made in implementing the 2008 Audit Plan, the audit findings and the 2009 Audit Plan;
- This Committee reported twice to the Board of Directors about the work it performed and the adequacy and functionality of the system of internal controls.

The average attendance of Directors at Committee meetings was 91.30%. A breakdown is provided below:

Committee members	Number of Committee meetings attended in 2008	Percentage
<i>Directors in office</i>		
Daniel Camus	6 out of 6	100
Gian Maria Gros-Pietro	6 out of 6	100
Marco Merler	5 out of 5	100
Andrea Viero	0 out of 1	0
<i>Directors no longer in office</i>		
Klaus Stocker	1 out of 1	100
Ivan Strozzi	3 out of 4	75

SYSTEM OF INTERNAL CONTROLS

Edison's System of Internal Controls is a structured and organic set of rules, procedures and organizational structures designed to prevent or minimize the impact of unexpected results and allow the achievement of the Company's objectives in terms of operating performance (effectiveness and efficiency in conducting its operations and protecting corporate assets), compliance with applicable laws and regulations, and accurate and transparent internal and market communications (reporting). This system permeates every aspect of the Company's operations and involves different parties who perform specific functions and discharge specific responsibilities.

The Board of Directors, working with the support of the Audit Committee, defines the guidelines of the System of Internal Controls; regularly reviews the main risks faced by the Company, as defined by the Chief Executive Officer; and assesses the adequacy, efficacy and effectiveness of the system of internal controls at least once a year.

As part of the responsibility entrusted to him by the Board of Directors, which involves overseeing the functionality of the System of Internal Controls, the Chief Executive Officer maps key corporate risks and implements the guidelines of the System of Internal Controls.

The Internal Control Systems Department is responsible for performing internal audits, with the goal of assisting the Board of Directors, the Audit Committee and the Company's management in discharging their responsibilities with regard to the System of Internal Controls and risk management. In February 2004, the Board of Directors appointed the manager of the Internal Control Systems Department to serve as Internal Control Officer. In this capacity, he is responsible for assessing the adequacy and effectiveness of the overall system of internal controls. Organizationally, the Internal Control Systems Department is under the direct supervision of Edison's Chairman and does not perform any operational functions. At least once every six months, it reports to the Chairman, the Chief Executive Officer, the Audit Committee and the Board of Statutory Auditors. The compensation of the Department's manager is determined in a manner consistent with the Group's management compensation policies, in accordance with general guidelines reviewed by the Compensation Committee.

Edison's Risk Officer reports to the Chief Financial Officer and is responsible for coordinating the risk management process. The Risk Officer also provides management with support in defining the overall risk strategy and policies and in analyzing, identifying, evaluating and managing risk and defining and managing the corresponding control and reporting system.

Acting within the framework defined by the guidelines provided by the Board of Directors and the instructions provided to implement those guidelines, the managers in charge of each Business Unit or

department are responsible for designing and managing the System of Internal Controls for the operations under their jurisdiction and for monitoring that the system is operating effectively. All employees, each within the scope of his or her responsibilities, must contribute to ensuring that the System of Internal Controls is operating effectively.

Elements of the Control Environment that have a Pervasive Impact

- *Code of Ethics* - In September 2003, Edison approved a Code of Ethics that is consistent with best international practices. The Code, which defines the principles and values that are the foundation of corporate ethics and the rules of conduct that derive from them, is an integral part of the Organizational, Management and Control Model that has been implemented to shield the Company from administrative liability pursuant to Legislative Decree No. 231/2001.
- *Antitrust Code* - The Company has adopted an Antitrust Code.
- *Organizational Structure* - The Group's overall organizational structure is defined by a set of Organizational Memoranda issued by the Chief Executive Officer consistent with the corporate governance model. These Memoranda identify the managers who are responsible for the various departments and Business Units. In turn, the managers who are responsible for the various departments and Business Units develop similar Organizational Memoranda, which, once they are published following a review by the Chief Executive Officer, define the Group's organization at the operational level. The Board of Directors is informed on a regular basis of any organizational changes.
- *Delegations of Power and Authority* - Executive powers are conveyed to managers through general or special powers of attorney that convey powers commensurate with their management responsibilities.
- *Human Resources* - In the area of human resources, Edison has adopted an official procedure to manage employee recruitment and hiring. It also uses a structured, multi-year system to plan for human resource needs and manage their training requirements. A process to evaluate the performance and professional potential of executives, professionals and newly hired employees with college degrees and formal compensation policies that are based on an ongoing comparison with best practices and on market conditions are also in use. In the case of executives and middle managers with significant business responsibilities, a portion of their compensation is variable and is commensurate with the achievement of objectives that are set each year in accordance with a structured performance management system.

Tools to Ensure the Achievement of Operational Objectives

- *Planning, Management Control and Reporting* - Edison has adopted a structured planning, control, management and reporting system that it uses at regular intervals to define the Company's strategies and objectives and develop its Budget and Business Plan.
- *Financial Risk Management* - With the specific objective of managing the financial risks to which it is exposed (mainly commodity, exchange rates and foreign exchange rate risks), the Group has adopted a governance structure that includes the following: (i) approval of the overall risk ceiling for the Group by the Board of Directors of Edison; (ii) creation of a Risk Committee that comprises Edison's Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Risk Officer, and the Chief Executive Officers of the Edison Trading and Edison Energia subsidiaries and is responsible for reviewing, at least once a month, the levels of assumed risks, comparing them with the ceilings approved by the Board of Directors, and approving the hedging strategies that may be appropriate if the approved ceiling has been exceeded; (iii) separation of the organization responsible for measuring and controlling risk exposure and defining risk-hedging strategies, which is located at Edison under the supervision of its CFO, for financial market transactions, at Edison Trading for commodity transactions and at Finance departments for foreign currency transactions. In 2006, consistent with best industry practices, Edison's Audit Committee approved an Energy Risk Policy that defines the objectives and guidelines of the Group's risk management policy.
- *Enterprise Risk Management (ERM)* - In 2006, the Group launched a project to revise and update at the Group level the risk management system in accordance with the Enterprise Risk Management (ERM)

principles. In 2007, this project resulted in the development of a map of the main corporate risks, which was the result of a comprehensive risk mapping and risk scoring activity carried out by means of a Risk Self Assessment cycle that involved Department and Business Unit managers. The main risks and uncertainties affecting the Group's Parent Company and its subsidiaries are discussed in a separate chapter of the Report on Operations and of the notes to the consolidated financial statements.

- *System of Corporate Operating Procedures* - In order to ensure that corporate directives are properly implemented and the risks entailed by the achievement of corporate objectives are minimized, Edison has adopted a set of procedures that regulate internal processes, governing both activities that are carried out internally by each organizational entity and transactions with other entities.

Tools to Ensure the Achievement of Compliance Objectives

- *Legislative Decree No. 231/2001* - In July 2004, Edison adopted the Organizational Model required pursuant to Legislative Decree No. 231/2001. 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. The Model, which was adopted following a detailed analysis of the Company's operations to identify activities with a risk potential, includes a series of general principles, rules of conduct, control tools, administrative procedures, training and information programs, and disciplinary systems that are designed to prevent, as much as possible, the occurrence of the abovementioned crimes. The Board of Directors also established an Oversight Board (OB), which is responsible for ensuring that the Model is functioning effectively and is kept up to date, and is required to report to the Board of Directors and the Board of Statutory Auditors at least every six months. On May 13, 2008, new members were appointed to the OB, reflecting the changes that occurred within the Board of Directors. Its members include an outside professional (Umberto Tracanella), who serves as Chairman, and two independent Directors (Gitti and Gros-Pietro). Until April 2, 2008, the members of the OB were the same outside professional (Umberto Tracanella) and two independent Directors (De Censi and Gros-Pietro). The Board of Directors, meeting on July 25, 2008, confirmed for the current members of the Oversight Board the amounts provided during the previous three years, continuing the practice of providing the Chairman, who is not a Director, with a higher compensation than the other two members. The OB met eight times in 2008. The Model was updated in 2008 and the new Model was approved by the Board of Directors with a resolution dated December 5, 2008. The Model had to be updated to address the impact of new crimes introduced in the "231 System" (market abuse, money laundering, computer crimes, occupational health and safety, etc.) and in response to changes in Edison's business activities. The updating process is currently being carried out by the main Group subsidiaries.
- *Law 262/2005 concerning accounting and financial disclosures* - In 2006, following the enactment of Law No. 262/2005 on the protection of investments, Edison launched a project to upgrade, when appropriate, the accounting procedures it uses to prepare financial disclosures and define the governance rules for the accounting control model it developed, as well as the rules to manage on an ongoing basis regular audits and certifications of the adequacy and effective operation of the model it developed and assign responsibilities within its organization. Additional information is provided in the section entitled "Accounting Control System and Corporate Accounting Documents Officer."
- *Security, Environment, Safety and Quality* - Edison has adopted a system of procedures and organizational structures specifically designed to manage data security issues (including those related to compliance with privacy statutes), the protection of the environment, the safety of its facilities and employees, and the quality of the services it provides.
- *Other Laws and Regulations* - The task of monitoring changes in and compliance with laws and regulations has been assigned to the General Counsel Department (for general legal and corporate issues) and to the Institutional and Regulatory Affairs Office (for issues related to industry regulations).

Tools to Ensure the Achievement of Reporting Objectives

- *Accounting Reports and Annual Financial Statements* - As discussed in a separate section, the preparation of accounting reports and annual statutory and consolidated financial statements is gov-

erned by the Manual of the Group's Accounting Principles and by additional administrative and accounting procedures, which were recently updated and upgraded as part of a project to comply with the requirements of Law No. 262/2005. The Company also adopted a Fast Closing procedure.

- *Insider Information* - In 2006, the procedures that govern the internal handling and external communication of the insider information were updated to make them compliant with the new regulations set forth in the EU directives on market abuse. An overview of the new procedures, which are an integral part of the Organizational Model adopted pursuant to Legislative Decree No. 231/2001, is provided in the section entitled Handling of Corporate Information.
- *Internal Communications* - Edison has adopted an internal communications system that facilitates and encourages the exchange of information within the Company and the Group and involves the use of a comprehensive system of management and coordination committees.

Tools to Monitor Internal Controls

The effectiveness of the control tools outlined above is monitored directly by corporate managers, each in the area under his or her jurisdiction, and, independently, by Edison's Internal Control Systems Department, which carries out risk-based auditing and assessment activities. The findings of each audit are submitted to the Chairman, the Chief Executive Officer and the Company's managers and are presented on a regular basis to the Audit Committee and the Board of Statutory Auditors.

Overall Assessment of the Effectiveness of the System of Internal Controls

Based on the information and the evidence collected with the support of the investigative work performed by the Audit Committee and the contribution provided by management and the Internal Control Officer, the Board of Directors believes that, overall, the existing System of Internal Controls allows with reasonable certainty the achievement of the Group's objectives.

This assessment, insofar as it refers to the System of Internal Controls in its entirety, reflects the limitations inherent in such a system. Specifically, even a system of internal controls that is well designed and operates properly can ensure the achievement of corporate objectives only with "reasonable certainty."

RISK MANAGEMENT SYSTEM

Information about this issue is provided in the preceding paragraph and in the "Risk Management" section of the Annual Report and of the Notes to the Consolidated Financial Statements.

ACCOUNTING CONTROL SYSTEM AND CORPORATE ACCOUNTING DOCUMENTS OFFICER

As mentioned in the previous Corporate Governance Report, in July 2007, the Board of Directors appointed a Corporate Accounting Documents Officer, who is responsible for developing adequate administrative and accounting procedures for the preparation of the accounting information that the Company discloses to the financial markets and for ensuring that the abovementioned procedures are effectively complied with, and provided this Officer with the authority and resources required to perform these tasks. Since inception, the Board of Directors has asked the Chief Financial Officer to serve in this capacity as well. Since November 9, 2007, both posts have been filled by Marco Andreasi, whom the Chief Executive Officer, being duly authorized by the Board of Directors, provided with all necessary operating authority.

Moreover, in light of the responsibilities assumed by the Board of Directors, both directly and through the Chief Executive Officer and the Corporate Accounting Documents Officer, with regard to the implementation and monitoring of a 262 internal control accounting system (Accounting Control System),

at a meeting held on July 27, 2007, the Board of Directors approved an "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 Article 154-bis of Legislative Decree No. 58/1998 with regard to the preparation of corporate accounting documents and comply with the resulting certification requirements, and authorized the Chief Executive Officer, acting through the Corporate Accounting Documents Officer, to implement the abovementioned Model.

The purpose of the Accounting Control System and of its Model is to provide reasonable certainty that the accounting information published by the Company provides its users with a truthful and fair presentation of the Company's operating results, thereby permitting the issuance of the attestations and declarations required pursuant to law indicating that the Company's filings and communications that are disclosed to the market, including interim accounting disclosures, are consistent with the data in the corresponding supporting documents, accounting records and other accounting documents, and that the Company's administrative and accounting procedures are adequate and were applied effectively during the period covered by the accounting documents (Annual Report and Semiannual Report), as well as the compiling of the accounting documents according to the applicable international accounting principles.

Specifically, the Model accomplishes the following:

- it defines the roles and responsibilities of the Organizational Units involved in the overall process of preparing, publishing and verifying the accounting information disclosed to the market;
- it sets forth the operating methods that should be used to carry out the activities to comply with the abovementioned statutory requirements;
- it provides support to the Corporate Accounting Documents Officer and the Chief Executive Officer in the issuance of the attestations and declarations required pursuant to law by requiring that the managers of the Company's Operating Units that are responsible for implementing the Accounting Control Model use the internal communication process to provide an internal attestation that the Internal Control System established pursuant to Law No. 262/2005 is functioning effectively, insofar as the accounting processes and flows under their management jurisdiction are concerned, that the information flows are complete and reliable, and that the key controls listed in the relevant matrices are applied effectively;
- it assigns responsibility for conducting Model-related testing to the Internal Auditing Department.

The Model applies to "accounting information," which includes all of the documents and information disclosed to the market that contain actual accounting data concerning the balance sheet, income statement and financial position of Edison and of the companies included in the scope of consolidation. The Model applies to all Organizational Units of Edison Group companies over which Edison exercises management and coordination authority, including Organizational Units that are not directly responsible for maintaining the accounting records and exercising operational control, and to all consolidated companies over which Edison does not exercise management and coordination authority that, for various reasons, are involved in developing the accounting information disclosed by the Group. In addition, an Organizational Memorandum issued with the signature of the Chief Executive Officer provides a detailed list of the managers of Group Departments, Business Units and Corporate Functions that report directly to senior management, who have been appointed "Operating Unit Officers Responsible for Implementing the Accounting Control Model Pursuant to Law No. 262/2005."

INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES

As mentioned earlier in this Report, the Board of Directors, meeting on April 2, 2008, reaffirmed, with some amendments, the resolution it adopted in July 2005 reserving for its sole jurisdiction all decisions concerning contracts to sell or buy natural gas, electric power, other raw materials and securities representing green certificates or rights to release CO₂ emissions involving an amount greater than 30 million euros per transaction or series of related transactions, or any other contract, acts or transactions of any amount or type (including those covered by the powers granted to the Chief Executive Officer) that involve, directly or indirectly (i) TdE; (ii) shareholders of TdE; (iii) shareholders of shareholders of TdE; (iv) one or more related parties (as defined by the IASs); (v) other companies or entities that control, are controlled by or are under the joint control of the abovementioned parties; and (vi) other companies or entities in which the abovementioned parties hold an equity interest. All of the above does not apply to Edison subsidiaries and standard financial transactions with credit institutions who are Delmi shareholders.

Moreover, consistent with the recommendations of the Code of Conduct, the Board of Directors adopted a Group procedure (revised in 2007 and updated in December 2008 to make it consistent with the more stringent requirements adopted by it in this area mentioned above) that governs transactions between Edison and all related parties. This procedure, which applies to the Chief Executive Officer as well, requires compliance with the principles of objectivity, transparency and truthfulness, based on the general principles that all transactions with significant parties and related parties, including those executed through subsidiaries, must be conducted fairly, both substantively and procedurally. The abovementioned procedure defines the following: the criteria to identify transactions with significant parties and related parties; the general rules and the principles of conduct that apply to such transactions; the types of transactions that require the prior approval of the Board of Directors and the rules governing the approval of such transactions; the obligations to report to the Board of Directors, providing information also on transactions that did not require the Board's prior approval; and the obligations of confidentiality and market disclosure, when information concerning the transactions in question meets the definition of insider information. The abovementioned procedure requires that the Board of Directors be provided with adequate information about the type of relationship with the counterpart, the manner in which the transaction will be executed, the timing and terms of the transaction, the valuation process applied, the interests involved and the underlying motives, and the risks that the Company and its subsidiaries may incur as a result of the abovementioned transactions with significant parties and related parties.

When the nature, amount or other characteristic of a transaction require it, the Board of Directors, in order to prevent a transaction with a significant party or a related party from being executed on terms that are not consistent with those that in all likelihood would have been negotiated by parties that were not related, can ask that the transaction be executed with the assistance of one or more experts, who will be asked to render an opinion on the financial terms and/or its fairness. The Board of Directors can also ask for the input of the Audit Committee.

Transactions with related parties and significant parties are reviewed in the notes to the financial statements.

The abovementioned procedure regulates in detail the position of Directors who may have an interest, albeit potential or indirect, in a transaction with a related party submitted to the Board of Directors. Specifically, when a transaction requires the prior approval of the Board of Directors, the Director affected by the transaction is required to inform the Board of Directors about his interest in the transaction, explaining the nature, terms, origin and scope of said interest. If a transaction does not require the prior approval of the Board of Directors and falls within the scope of the power awarded to the Director affected by it, including when the transaction is being executed by means of a special power of attorney issued by the same Director, the Director in question is required to refrain from executing the transaction and cause his representatives to do the same, choosing instead to submit the transaction to the Board of Directors for prior approval. In all cases, the applicable resolution of the Board of Di-

Directors must contain an adequate explanation of the reasons for the transaction and of the benefits that the transaction would have for the Company.

Due to the composition of the Board of Directors and the fact that the Directors who are not independent belong to companies that are part of Edison's chain of control and operate, for the most part, in the same businesses as the Company, the Board of Directors has established a practice whereby, at the beginning of each meeting, it reviews the posts held by non-independent Directors in their respective companies and the criteria by which they were appointed to those posts.

The abovementioned procedure, which was codified as a Protocol in December 2008, is an integral part of the Organizational Model adopted pursuant to Legislative Decree No. 231/2001 and will be further amended once the Consob issues guidelines for the implementation of Article 2391-*bis* of the Italian Civil Code, which specifically concerns transactions with related parties.

HANDLING OF INFORMATION CONCERNING THE COMPANY

The Company has been using for some time an internal procedure for the internal management and external communication of documents and information concerning Edison, with special emphasis on insider information. This procedure, which is an integral part of Model 231, was revised in 2006 by the Board of Directors, acting upon a proposal by the Oversight Board and based on the findings of a preliminary review by the Audit Committee, in order to make it more responsive to changes in statutory requirements introduced by the inclusion in the Italian legal system of EU regulations on market abuse.

One of the functions of this procedure was to specify the functions, responsibilities and operating procedures that apply to the management of insider information (including both insider information "in process" and those for which a market communication obligation already exists), taking into account how insider information should be verified and data should be entered in the Insider Register; the treatment, internal circulation and communication to outsiders (when certain conditions are met) of insider information; and the communication of insider information to the market in accordance with the deadlines and methods set forth in current regulations.

All members of the corporate governance bodies, employees and associates of Edison and its subsidiaries who have access to insider information are required to comply with the abovementioned procedure.

All of the abovementioned parties are required to comply with the following obligations:

- they shall safeguard the confidentiality of documents and information obtained in the course of their work and, more specifically, make sure that the sharing of documents containing insider information, whether internally or with third parties, is handled with all necessary attention and care.
- They shall never communicate to anyone, unless required to do so for work reasons, insider information of which they may become aware in the course of their work.
- They shall require that the owners of a project and/or a significant asset (normally the manager in charge of a department or office) and third parties to whom insider information is disclosed in connection with an assignment sign a confidentiality agreement, which, among other covenants, may require them to maintain an Insider Register, if applicable.
- They shall promptly inform the applicable Company Compliance Office of any act, action or omission that may constitute a violation of this procedure.

Insofar as roles and responsibilities are concerned, Senior Management has Group-wide responsibility for distributing to the market press releases that contain insider information and for activating the procedure used to embargo the disclosure of insider information to the market, when applicable.

Heads of departments, offices, business units or subsidiaries are responsible for identifying the existence of insider information and implementing all security measures required to ensure that insider information is treated confidentially and segregated, limiting its circulation only to those parties who need access to it to perform their job or assignment.

In addition, senior managers and other management personnel (each for the information over which he or she has jurisdiction) must inform employees and outsiders who possess insider information concerning the Group of the nature of the information they possess and must ensure that all outsiders who receive insider information are required pursuant to law, Company Bylaws or contract to respect the confidentiality of the documents and information they are receiving, verifying, when applicable, the existence of secrecy/confidentiality clauses or commitments.

Prior to being placed into circulation, paper and electronic documents that contain insider information must be labeled "Confidential" and must be appropriately safeguarded. The electronic transmission of these documents must be protected with access keys. In all cases, the senior managers and other management personnel with whom the "Confidential" documents originated must keep track of the parties (employees and outsiders) to whom the documents were provided.

Specific provisions of the procedure deal with the method for entering data in and updating the register of parties who have access to insider information. Specifically, parties may be entered in the register on a permanent or on an occasional basis and Edison's senior managers and other management personnel are responsible for identifying the parties whose names should be communicated to the office charged with keeping the register for entry therein on a permanent or occasional basis. The procedure also deals with the method for informing the parties entered in the register, updating their information and deleting their names.

Entry in the register on a permanent basis is used for those parties who, because of their function, the position they hold or the specific responsibilities entrusted to them, have access to insider information on a regular and continuing basis. Entry on an occasional basis is used for those parties who, because of their involvement in certain nonrecurring projects or activities and/or their temporary performance of certain functions/responsibilities, or because of a specific assignment, have access for a limited period of time to potential insider information.

The data of all Directors and Statutory Auditors, upon being elected, were entered in the abovementioned register on a permanent basis and were informed about their duties and responsibilities.

In addition, upon being elected, the Directors and Statutory Auditors were informed of the newly enacted regulations governing internal dealing and about the communication requirements incumbent upon them, with which they are required to comply acting through the Company. In 2008, four transactions carried out by Directors were disclosed to the market and the regulatory authorities. The corresponding filing forms are available online at the Company website (www.edison.it "Governance – Market Abuse").

Without prejudice to the obligation to comply with the provisions governing market abuse, the Board of Directors has introduced, for specific periods of the year, the additional obligation of refraining from executing transactions that involve financial instruments issued by the Company. The periods in question have been defined as time periods that begin 30 days before the date of a meeting of the Board of Directors convened to review regularly reported financial statements and end five days after the publication of the corresponding press release. The 2009 blackout periods are as follows:

- from January 12 to February 16;
- from March 31 to May 5;
- from June 24 to July 29;
- from September 30 to November 4.

BOARD OF STATUTORY AUDITORS

Election

Pursuant to the Company's Bylaws, as amended by the Shareholders' Meeting on June 26, 2007, the Board of Statutory Auditors must comprise three permanent Auditors and three alternates, who are elected from slates of candidates. Only shareholders who, alone or in combination with other shareholders, represent in the aggregate a percentage of the shares conveying the right to vote at Ordinary Shareholders' Meetings equal as a minimum to the percentage required for filing slates of candidates for the post of Directors, which, based on the Company's market capitalization, is equal to 1% of the common share capital, are entitled to file a slate of candidates, provided the filers are not linked directly or indirectly with the controlling shareholder, its direct or indirect shareholders or other companies in the various groups to which each company belongs. Nomination proposals must be filed at the Company's registered office at least 15 days before a Shareholders' Meeting. The proposals must be accompanied by the following documents: information disclosing the identity of the parties filing slates of candidates; if applicable, an affidavit stating that the filers are not linked with the controlling shareholder, its shareholders and group companies belonging to said shareholders; professional curricula of each candidate, listing any management and control posts held at any other companies; affidavits by which the candidates attest that there are no issues that would make them incompatible or unelectable or would cause them to be removed from office, that they meet the requirements for election as Statutory Auditors pursuant to current law and the Bylaws and that they accept the nomination. Moreover, pursuant to the regulations set forth in a Decree issued by the Ministry of Justice on March 30, 2000, the professional requirements of Statutory Auditors are also listed in the Company Bylaws. In no case may individuals who fail to meet the requirements of independence, integrity and professionalism established in the pertinent laws or the Bylaws or who already serve on the maximum number of management and control bodies allowed pursuant to the applicable laws be elected to the Board of Statutory Auditors.

Lastly, if no slate is filed during the 15 days that precede the Shareholders' Meeting or if only one slate is been filed or if multiple slates are filed by shareholders who are linked with each other, the deadline for filing slates is reduced to 10 day and the percentage required to file them is halved to 0.5% of the common share capital.

With reference to the Statutory Auditors in office, their curriculum vitae, with the documents indicated in the paragraph above, were filed 15 days before the Shareholders' meeting and, at the same time, posted on the Company website (www.edison.it - "Governance - Board of Statutory Auditors"). The main documents required for filing slates of candidates pursuant to the Bylaws and applicable regulations were combined in a document that was made available by posting it on the Company website (www.edison.it - "Investor Relations - Documents and Prospectuses - 2008 Archive") 15 days before the date of the Shareholders' Meeting.

Composition and Independence Requirements

According to the provisions of the Governance Agreements that apply to the Board of Statutory Auditors, Delmi and EDF/WGRM have each the right to designate one Statutory Auditor and one Alternate. The third Statutory Auditor and Alternate must be taken from a slate filed by Edison minority shareholders, provided that such a slate has been filed. In addition, EDF/WGRM and Delmi must decide jointly which of the two Statutory Auditors they designated will serve as Chairman of the Board of Statutory Auditors and must also select jointly Edison's independent Auditors.

With regard to this issue, the Shareholders' Meeting of June 26, 2007 amended the Bylaws to make them consistent with the law that requires that the Chairman of the Board of Statutory Auditors be filled with one of the Statutory Auditors elected from a minority slate. With this change, the election of the entire Board of Statutory Auditors and its Chairman was carried out in accordance with the amended Bylaws.

The current members of the Board of Statutory Auditors, all elected at the Shareholders' Meeting of April 2, 2008, are: Alfredo Fossati (Chairman), drawn from the only minority slate filed by the shareholder Fincamuna Spa (Carlo Tassara Group), and Angelomaria Palma and Leonello Schinasi, drawn from the slate filed by TdE, the majority shareholder.

The Board of Statutory Auditors in office until April 2, 2008 was elected at the Shareholders' Meeting of April 19, 2005. Its members were: Sergio Pivato (Chairman), Ferdinando Superti Furga (Statutory Auditor) and Salvatore Spiniello (Statutory Auditor). None of the Statutory Auditors were elected by minority shareholders because only one slate of candidates was filed at the time of the election by Italenergia-bis, which at that time was the Company's controlling shareholder owning 63.34% of the common shares.

All Statutory Auditors currently in office, as well as those elected in the past, meet statutory independence requirements, as well as the Code's independence requirements for Directors. The Board of Statutory Auditors verified that these requirements were still being met on the occasion of the meeting during which it reviewed the Company's corporate governance system.

A table provided at the end of this Report provides a list of the posts that the Statutory Auditors currently in office held at other companies at December 31, 2008.

Compensation

The compensation of the Statutory Auditors was determined by the Shareholders' Meeting that elected them. Additional information is provided in the section of this Report that deals with the compensation of Directors and Statutory Auditors.

Rules of Operation

The Board of Statutory Auditors is required to meet at least once every 90 days. Meetings of the Board of Statutory Auditors may be held via teleconferencing or videoconferencing, provided all participants can be identified and are able to follow the proceedings, participate in real time in the discussion of the items on the Agenda and receive, transmit and review documents.

In 2008, the Board of Statutory Auditors met 11 times. The average attendance of the Statutory Auditors at these meetings was 87.88%. A breakdown is provided below:

Statutory Auditors	Number of Statutory Auditors meetings attended in 2008	Percentage
<i>Statutory Auditors in office</i>		
Alfredo Fossati	7 out of 7	100
Angelo Palma	6 out of 7	85.71
Leonello Schinasi	7 out of 7	100
<i>Statutory Auditors no longer in office</i>		
Sergio Pivato	4 out of 4	100
Salvatore Spiniello	2 out of 4	50
Ferdinando Superti Furga	3 out of 4	75

In addition, the Statutory Auditors attended meetings of the Board of Directors, held in 2008, with an average attendance of 83,33%. A breakdown is provided below:

Statutory Auditors	Number of Board meetings attended in 2008	Percentage
<i>Statutory Auditors in office</i>		
Alfredo Fossati	4 out of 6	66.67
Angelo Palma	5 out of 6	83.33
Leonello Schinasi	6 out of 6	100
<i>Statutory Auditors no longer in office</i>		
Sergio Pivato	1 out of 2	50
Salvatore Spiniello	2 out of 2	100
Ferdinando Superti Furga	2 out of 2	100

A Statutory Auditor, usually the Chairman of the Board of Statutory Auditors, also attended the meetings of the Compensation Committee and of the Oversight Board. Lastly, the exchange of information between the Board of Statutory Auditors and the Audit Committee takes place through the regular attendance to Committee meetings by a Statutory Auditor and a representative of the Independent Auditors is invited on a regular basis to attend meetings of the Board of Statutory Auditors to report on the findings of the audits they performed.

In 2008, the Board of Statutory Auditors provided an opinion on the additional assignments that the Board of Directors awarded to the independent auditors and to other entities belonging to the same network, verifying that the abovementioned assignments and those awarded by the subsidiaries were within the statutory limitations of exercisable activities and ascertained the auditors' independence.

The Board of Statutory Auditors adopted the 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 for approval. No situations that would have required the members of the Board of Statutory Auditors to provide such a disclosure occurred in 2008.

In discharging its duties, the Board of Statutory Auditors relies on the support of a dedicated Company unit that reports to the office of the Secretary to the Board of Directors.

RELATIONS WITH SHAREHOLDERS AND INVESTORS

The Board of Directors strives to provide promptly the Company's shareholders with all relevant information and documents. In 2006, in pursuit of this goal, the Company restructured its website, changing its overall structure and creating a section devoted to corporate governance issues, which contains the Reports on Corporate Governance and other information, and a page entitled Investor Relations. Both sections are easily accessible from the home page.

Edison, acting directly or through representatives, engages in an ongoing dialog with the financial markets with the specific goal of complying with the laws and rules governing the dissemination of insider information and the procedures that apply to the circulation of confidential information. The Group's behavior and procedures are designed to avoid disparity of treatment in the disclosure of information and ensure effective compliance with the principle requiring that all investors and potential investors be provided with the same information, so that they may make sound investment decisions.

More specifically, on the occasion of the release of annual, semiannual or quarterly data, the Company organizes conference calls with institutional investors and financial analysts and encourages the participation of industry press representatives. In addition, the Company promptly informs its shareholders

and potential shareholders of any action or decision that could have a material impact on their investment. It also makes available on its website (www.edison.it - Investor Relations and Governance) press releases, paid notices published by the Company in the press with regard to rights inherent in the securities it has issued, and documents concerning Shareholders' and Bondholders' Meetings or otherwise provided to the public, so as to ensure that its shareholders are informed about the issues on which they will be asked to cast their vote. The Company also encourages journalists and qualified professionals to attend its Shareholders' Meetings.

Edison has created an office responsible for handling relations with shareholder and assigned to the manager of the Investor Relations Department responsibility for managing relations with institutional investors.

SHAREHOLDERS' MEETING

Rules of Operation and Attributions

A Regular Shareholders' Meeting, gathered on the first or second calling, is duly convened and may adopt resolutions with the favorable vote of shareholders representing more than half of the common share capital, with the following exceptions: (i) a Shareholders' Meeting gathered on the second calling to approve the Annual Report and elect corporate officers or remove them from office is duly convened irrespective of the percentage of capital represented by shareholders attending the Meeting and may adopt resolutions (except for the election of Directors and Statutory Auditors in presence of slates of candidates) with the favorable vote of shareholders representing more than half of the share capital present at the Meeting; and (ii) a Shareholders' Meeting convened to elect the Board of Statutory Auditors on the basis of slates of candidates, which adopts resolutions with specific majorities.

A Special Shareholders' Meeting, gathered on the first, second or third calling, is duly convened when shareholders representing more than half of the common share capital are in attendance and may adopt resolutions with the favorable vote of shareholders representing at least two-thirds of the share capital represented at the Meeting (Article 11 of the Bylaws).

Pursuant to Article 9 of the Bylaws, Shareholders' Meetings are convened by means of a notice published in the newspaper *Il Sole 24 Ore* 30 days prior to the date of the Meeting, or within any shorter deadline that may be required for special situations or items on the Agenda pursuant to the relevant laws. The notice, which must be posted concurrently on the Company website, must explain the requirements for attending the Shareholders' Meeting, as set forth in the Bylaws. In addition, the Company must make available to the public within the statutory deadline copies in Italian and English of the documents relevant to the items on the Meeting's Agenda by depositing them at the Company's head office, sending them to Borsa Italiana through the NIS system and publishing them on its website.

Right to Attend Shareholders' Meetings

Pursuant to Article 10 of the Bylaws, only holders of voting shares who have proven their rights by producing an attestation, issued by an intermediary authorized to maintain the book of accounts, that their shares were deposited in dematerialized form with the centralized clearing system at least two business days prior to the Shareholders' Meeting and filing the attestation with the Company accordingly, pursuant to law, will be allowed to attend a Shareholders' Meeting. The Bylaws do not require that the shares be frozen. Consequently, the shares are freely transferable during the two days that precede a Shareholders' Meeting, but buyers will not be allowed to attend the Shareholders' Meeting.

However, the Board of Directors reserves the right to modify, through amendments to the By-laws, the procedures and requirements for attending Shareholders' Meetings and exercise the right to vote, after the EU regulations on the shareholders' rights have been incorporated into the Italian legal system.

Holding Shareholders' Meetings

The Company did adopt Shareholders' Meeting regulations because it believes that the power attributed by the Bylaws to the chairman of the Meeting (who is responsible for managing the Meeting), which include determining the Meeting's Agenda and the voting method, are sufficient to maintain an orderly performance of Shareholders' Meetings, thereby avoiding the risks and inconveniences that could result, should a Shareholders' Meeting fail to comply with Meeting regulations.

The only Shareholders' Meetings of 2008 was held on April 2. The items on the Agenda included approval of the financial statements for the 2007 fiscal year and election of the Board of Directors and Board of Statutory Auditors.

All Directors who could provide a useful contribution to the discussion because of the duties they perform within the Board of Directors or its Committees were present at this Shareholders' Meetings. On that occasion, the Chairman and the Chief Executive Officer, responding when necessary to specific questions by shareholders and in accordance with the rights of the shareholders to participate in the discussion and receive the desired information, reported on the work performed and on future plans.

The Board of Directors did not deem it necessary to promote initiatives that would encourage greater attendance at the Shareholders' Meetings, since the percentage of the share capital that is being represented at those Meetings is already quite high.

In 2008, Edison's stock market capitalization changed significantly, due mainly to conditions in the stock market. However, no significant changes occurred in the Company's shareholder base during the year.

Additional Shareholder Rights and Methods of Exercise

The Company Bylaws do not convey to the shareholders any rights beyond those provided to them pursuant to law nor do they establish methods of exercise that are different from those set forth in the applicable statutes.

As explained earlier in this Report, the Bylaws were amended in 2007 to make them consistent with new statutory requirements and with the guidelines provided Consob with regard to the minimum ownership thresholds required of minority shareholders who wish to file slates of candidates to positions on the Company's governance bodies. The Board of Directors believes that, at this juncture, it would not be advisable to ask the Shareholders' Meeting to amend further the provisions of the Bylaws that concern the percentages required to exercise the rights conveyed by the Company's shares and the prerogatives provided to protect minority shareholders

INDEPENDENT AUDITORS

The Company and its Italian subsidiaries, with very few exceptions, have retained independent auditors, chosen from those listed in a special register maintained by the Consob, to audit their financial statements and check that their accounting records are maintained in accordance with the provisions of Legislative Decree No. 58/1998. The scope of these audits also includes compliance with the requirements of the Italian Civil Code, as amended by Legislative Decree No. 6/2003 on accounting control. Major foreign subsidiaries have also retained independent auditors as required under the Group's general audit plan. In principle, the purpose of this plan is to ensure that the financial statements of all Group companies, and not just those that meet the Consob's "materiality" requirements, are audited by independent auditors rather than by the Board of Statutory Auditors, as allowed pursuant to law. With some exceptions, companies that are either dormant or in liquidation are exempt from this requirement. In the remaining cases, in which only a Board of Statutory Auditors has been appointed, the Bylaws require that the audit be carried out by the Board of Statutory Auditors.

Edison and its principal subsidiaries have also asked their independent auditors to audit their semi-annual financial statements and the separate financial statements that are prepared annually for the Electric Power and Hydrocarbons operations and to perform the special audit required by the Electric Power and Gas Authority or needed to comply with contractual requirements.

Edison's independent auditors, PricewaterhouseCoopers Spa and its international network (PwC), working in accordance with assignments they received directly, audited about 98.9% of all assets and 99.8% of all revenues. Other independent auditors were retained exclusively by some foreign subsidiaries.

As allowed under the provisions currently in force, the audit assignment awarded to PwC will expire with the Shareholders' Meeting convened to approve the 2010 annual financial statements, since in 2007, upon proposal of the Board of the Statutory Auditors, such assignment was extended for the maximum duration, foreseen by current laws, of nine years.

Consistent with requirement that an audit assignment to the same independent auditor has a length of not more than nine years, the same duration of the assignment to PwC for the Parent Company applies also to the subsidiaries, with the exception of Edison Trading, which awarded an audit assignment for a period ending in 2009.

Edison's Shareholders' Meeting that granted the audit assignment, which includes auditing the statutory financial statements, the consolidated financial statements and performing regular reviews of the accounting records, also approved the corresponding fees. Moreover, consistent with a long established Group policy, the Shareholders' Meeting also approved the granting of additional assignments required by the industry rules. The same was also true for the Shareholders' Meetings of the Group's subsidiaries.

The total consideration for audit services and services other than audit of the Group audit for 2008 amounts to 1,885,000 euros, broken down as follows:

Description	Main auditors PwC		Other auditors		Total	
	Hours	Fee	Hours	Fee	Hours	Fee
Audit of the statutory financial statements	5,205	437,339			5,205	437,339
Audit of the consolidated financial statements	800	65,930			800	65,930
Limited audit of the Semiannual Report	1,420	116,430			1,420	116,430
Regular reviews of the accounting records	620	50,621			620	50,621
Audit of separate annual financial statements	600	49,448			600	49,448
Coordination with other auditors	100	8,242			100	8,242
Additional review and certification activities	780	84,862			780	84,862
Total for Edison Spa	9,525	812,872			9,525	812,872
Italian subsidiaries and joint ventures	10,549	845,108			10,549	845,108
- amount for review and certification activities	20	1,500				
Foreign subsidiaries and joint ventures	1,529	182,324	718	44,617	2,247	226,941
Total for the Edison Group	21,603	1,840,304	718	44,617	21,321	1,884,921

The Independent Auditors and their network were not awarded assignments other than auditing the financial statements or audits and certifications provided for rate filings or auditing and certifying accounting data required for submitting bids in response to calls for tenders.

From 2008 the audit cost includes the reviews on the consistency of the Report on Operations with the financial statements introduced by Legislative Decree No. 32/2007 enacted to implement EU directive No 51/2003 (content of the Report on Operations and wording of the Independent Auditors Re-

port), as well as, for some subsidiaries, additional audits, in some cases, under approval by the competent corporate bodies.

STOCK OPTION PLAN

Stock Options Held by Management

In February 2003, as already announced, the Company approved a stock option plan and related regulations addressed to the Group's management providing for the award of options to buy Edison shares at predetermined prices during predetermined periods. The options available under this plan were awarded in November 2003 and December 2004. No additional options were awarded in later years. Most of these options were exercised ahead of scheduled, as allowed by the regulations, following a change in Edison's control on September 16, 2005 and the shares acquired through the exercise of the abovementioned options were tendered in response to the tender offer for Edison shares and warrants launched by TdE in October 2005.

As can be seen in the table provided below, which shows the number of Edison stock options outstanding at the beginning and at the end of 2008, 36,171 options awarded under the 2003 Plan were exercised during the year and the remaining 33,097 options awarded under the 2004 Plan expired because they were not exercised within the deadline provided in the Plan's regulations in the event of interruption of the employment relationship.

	2008 number of shares	Average exercise price
Options outstanding at January 1	69,268	1.465
Options that expired or were surrendered/cancelled during the year	33,097	1.580
Options exercised during the year	36,171	1.360
Options awarded during the year	-	-
Options outstanding at December 31	-	-

At December 31, 2008, no stock options were held by Group executives.

Please note that the Extraordinary Shareholders' Meeting held on June 28, 2002 authorized the Board of Directors to carry out capital increases earmarked for the exercise of options that may be awarded in the future, as allowed under Article 2443 of the Italian Civil Code and within the applicable statutory limits. The abovementioned authorization, which expired on June 28, 2007, was used for options awarded in 2003 and 2004. On November 11, 2003 and December 3, 2004, the Board of Directors authorized the issuance of up to 4,200,000 and 3,619,269 shares, respectively, earmarked for the exercise of stock options awarded in 2003 and 2004. A total of 7,596,722 options were awarded based on these capital increases. As of December 31, 2008, as explained in previous reports, all of these options were exercised, surrendered, cancelled, or expired. Therefore, the balance of 491,814.00 euros of the capital increase approved by the Board of Directors on November 11, 2003 will not be implemented due to the fact that options are no longer being awarded to Company executives (for additional information see the "Compensation Committee" section of this Report).

Stock Options Held by Directors

There are no Directors who hold stock options exercisable to acquire Edison shares.

EQUITY INVESTMENTS OF DIRECTORS AND STATUTORY AUDITORS

The equity investments held in Edison Spa and its subsidiaries at December 31, 2008 by Directors and Statutory Auditors, including those who ceased to be in office during the year, as well as by spouses from whom they are not legally separated and minor children, either directly or through subsidiaries, fiduciary companies or nominees, for the period from December 31, 2007 to December 31, 2008, are presented in the table that follows. This information is based on the entries in the Shareholder Register, communications received and other data.

Reference Period: January 1, 2008 to December 31, 2008

(in thousands of euros)

First and Last Name	Investee company	Number of shares held at the end of the previous year (12/31/2007)	Number of shares bought	Number of shares sold	Number of shares held at the end of the current year (12/31/2008)
<i>Directors in office</i>					
Giuliano Zuccoli	Edison Spa common shares	-	46,000	-	46,000
Umberto Quadrino	Edison Spa common shares	-	850,000	-	850,000
Marc Boudier					
Daniel Camus					
Mario Cocchi	Edison Spa common shares	-	1,330,000	-	1,330,000
Gregorio Gitti					
Pierre Gadonneix					
Gian Maria Gros-Pietro	Edison Spa common shares	30,000	-	-	30,000
Marco Merler					
Renato Ravanelli					
Paolo Rossetti					
Andrea Viero					
Gerald Wolf					
<i>Directors no longer in office</i>					
Giovanni De Censi	Edison Spa common shares	500	-	-	500
Mario Mauri					
Klaus Stocker					
Ivan Strozzi					
<i>Statutory Auditors in office</i>					
Alfredo Fossati					
Angelo Palma					
Leonello Schinasi					
<i>Statutory Auditors no longer in office</i>					
Sergio Pivato					
Salvatore Spiniello					
Ferdinando Superti Furga					

COMPENSATION RECEIVED BY DIRECTORS AND STATUTORY AUDITORS

The table that follows shows all compensation that Directors and Statutory Auditors, including those who ceased to be in office during the year, received for any reason from the Company or its subsidiaries at December 31, 2008. Non-cash benefits are shown at their taxable value. Variable compensation packages are listed under bonuses and other incentives. "Other Compensation" refers to fees for posts held at subsidiaries at December 31, 2008 and, for the Chief Executive Officer, to the long-term incentive for the 2006-2007 period.

Reference Period: January 1, 2008 to December 31, 2008

Beneficiary	Description of post held			Compensation (in thousands of euros)		
	First and last name	Post held	Period during which the post was held	End of term of office (*)	Collected by employer	Collected by beneficiary
<i>Directors in office (a)</i>						
Giuliano Zuccoli	Board Chairman (c)	01.01.08 - 12.31.08	12.31.10		799	
Umberto Quadrino	Chief Executive Officer (c)	01.01.08 - 12.31.08	12.31.10			3,872
Marc Boudier	Director (c) (d)	01.01.08 - 12.31.08	12.31.10		120	
Daniel Camus	Director (e)	01.01.08 - 12.31.08	12.31.10		100	
Mario Cocchi	Director (d)	04.02.08 - 12.31.08	12.31.10			65
Pierre Gadonneix	Director	01.01.08 - 12.31.08	12.31.10		62	
Gregorio Gitti	Director (d) (f)	04.02.08 - 12.31.08	12.31.10			100
Gian Maria Gros-Pietro	Director (d) (e) (f)	01.01.08 - 12.31.08	12.31.10			173
Marco Merler	Director (e)	04.02.08 - 12.31.08	12.31.10			78
Renato Ravanelli	Director (c)	01.01.08 - 12.31.08	12.31.10			89
Paolo Rossetti	Director	04.02.08 - 12.31.08	12.31.10		49	
Andrea Viero (b)	Director (e)	11.22.08 - 12.31.08	03.31.09		14	
Gerard Wolf	Director	01.01.08 - 12.31.08	12.31.10		66	
Total compensation of Directors					411	5,348
<i>Statutory Auditors in office (a)</i>						
Alfredo Fossati	Chairman Board Stat. Aud.	04.02.08 - 12.31.08	12.31.10			45
Angelo Palma	Statutory Auditor	04.02.08 - 12.31.08	12.31.10			30
Leonello Schinasi	Statutory Auditor	04.02.08 - 12.31.08	12.31.10			30
<i>Statutory Auditors no longer in office</i>						
Sergio Pivato	Chairman Board Stat. Aud.	01.01.08 - 04.02.08	12.31.07			15
Salvatore Spiniello	Statutory Auditor	01.01.08 - 04.02.08	12.31.07			10
Ferdinando Superti Furga	Statutory Auditor	01.01.08 - 04.02.08	12.31.07			10
Total compensation of Statutory Auditors					0	140
Total compensation					411	5,448

(*) The term of office ends when the shareholders's Meeting approves the financial statements for the year ended on the date shown.

(**) Non-cash benefits consists of insurance policies taken out by Company on behalf beneficiary.

(a) Elected at the shareholders's Meeting of April 2, 2008.

(b) Coopted by the Board of Directors on November 12, 2008 and in office until the next Shareholders' Meeting of March 31, 2009.

(c) Member of the Strategy Committee.

breakdown (in thousands of euros)			
Compensation for post held at the company preparing the financial statements	Non-cash benefits (**)	Bonuses and other incentives	Other compensation
799			
1,301	18	1,282 (g)	1,271
120			
100			
65			
62			
100			
173			
75			3
89			
49			
14			
66			
39			
34			
25			
74			
3,185	18	1,282	1,274
45			
30			
30			
15			
10			
10			
140	0	0	0
3,325	18	1,282	1,274

(d) Member of the Compensation Committee.
(e) Member of the Audit Committee.
(f) Member of the Oversight Board.
(g) Variable compensation for 2008.

ANNEXES

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COMPARISON BETWEEN EDISON'S GOVERNANCE AND THE RECOMMENDATIONS OF THE CODE

	YES	NO	Brief description of the reasons for any deviations from the recommendations of the Code
Role of the Board of Directors			
Does the Board of Directors have sole jurisdiction over the review and approval of Strategic, Industrial and Financial Plans for the Company and the Group and over the Company's system of governance and the Group's structure?	X		
Does the Board of Directors assess the effectiveness of the overall organizational, administrative and accounting system of the issuer and its subsidiaries, as implemented by the Directors entrusted with this task, particularly with regard to the system of internal controls and the handling of conflicts of interest?	X		
Does the Board of Directors determine the compensation of the Chief Executive Officer, based on a proposal by the Compensation Committee and on the recommendations of the Board of Statutory Auditors?	X		
Does the Board of Directors review the Company's overall operating performance, based on specific information provided by management and comparing on a regular basis actual results against expected results?	X		
Does the Board of Directors have sole jurisdiction over the review and prior approval of significant transactions by the Company and its subsidiaries with third parties and with related parties or over transactions in which one or more Directors have an interest either directly or on behalf of third parties?	X		The Board of Directors has sole jurisdiction also over material transactions with Significant Parties, which include: (i) TdE; (ii) shareholders of TdE; (iii) shareholders of shareholders of TdE; (iv) one or more related parties (as defined by the IASS); (v) other companies or entities that control, are controlled by or are under the joint control of the abovementioned parties; and (vi) other companies or entities in which the abovementioned parties hold an equity interest. All of the above does not apply to Edison subsidiaries and standard financial transactions with credit institutions who are Delmi shareholders
Has the Board of Directors performed an annual assessment to determine whether its composition, size and method of operation, and those of its Committees, are adequate?		X	In 2008, differently from 2007, the Board of Directors did not conduct a self assessment process, choosing instead to postpone the assessment to the year following the election of new Directors.
Composition of the Board of Directors			
Is the composition of the Board of Directors consistent with the Code's principles with regard to the election of Directors with and without executive authority?	X		
Has managerial authority been delegated to one or more Directors?	X		
Has managerial authority been delegated to the Chairman of the Board of Directors?		X	
Do the parties to whom managerial authority has been delegated report on a regular basis to the Board of Directors and the Board of Statutory Auditors about the work they performed?	X		
Does the Board of Directors include any other Directors with executive authority?		X	
Did the Board of Directors designate an independent Director to serve as lead independent Director?		X	The Board of Directors chose not to designate a lead independent Director, since it did not believe that the Code's requirements for such a designation exist at this time.
Has the Board of Directors established general criteria about the maximum number of posts that may be held, compatibly with the effective performance of the duties of a Company Director?		X	Choosing not to adopt the Code's recommendations, the Board of Directors refrained from expressing an opinion on the maximum number of posts that may be held, compatibly with the effective performance of the duties of a Company Director, since it believes that such a determination is primarily a consideration that the shareholders should make when electing Directors and, secondarily, a decision incumbent on each Director when accepting an appointment.
In addressing organizational issues, did the Shareholders' Meeting provide a blanket and preventive waiver of the non-compete obligation referred to in Article 2390 of the Italian Civil Code?	X		In the area of non-compete obligations, the Shareholders' Meeting (which under the Bylaws has the authority to activate such obligations when electing Directors, should it deem it necessary) did not avail itself of this right and, in the course of the year, the Board of Directors did not uncover any issues worthy of the attention of the Shareholders' Meeting.

Report on Corporate Governance and the Company's Ownership Structure

	YES	NO	Brief description of the reasons for any deviations from the recommendations of the Code
Independent Directors			
Are independent Directors adequately represented on the Board of Directors?	X		
Has the Board of Directors followed the Code's recommendations with regard to assessing the independence of Directors?	X		
Has the Board of Statutory Auditors verified that the vetting procedures adopted by the Board of Directors to assess every year the independence of its members are being properly applied and reported its findings to the market?	X		
Were meetings reserved exclusively for independent Directors held during the year?		X	No meetings reserved exclusively for independent Directors were held in 2008, waiting for the definition of the relevant competence by the regulations to be issued about the matter.
Handling of Company Information			
Acting upon a proposal by the Directors assigned to this task, did the Board of Directors adopt a procedure for the internal management and external communication of documents and information concerning the issuer, particularly with regard to insider information?	X		
Establishment and Rules of Operations of the Committees of the Board Of Directors			
Has the Board of Directors established one or more internal Committees responsible for making proposals and providing consulting support?	X		The Company's Board of Directors established internally an Audit Committee, a Compensation Committee and a Strategy Committee.
Are the rules that govern the composition of the Committees, the tasks assigned to them and the manner in which their meetings are held consistent with the Code's recommendations?	X		The Code's requirement that the independent Directors constitute a majority of members of Committees of the Board of Directors was complied with only with respect to the Compensation Committee. This decision is consistent with the provisions of the Governance Agreements that apply to the designation of members of the Committees of the Board of Directors. A broad outline of the powers attributed to each Committee is defined in the Governance definite, nelle loro linee generali, nell'ambito degli Accordi di Agreements. They were later specified and formally established by the Board of Directors at a meeting held on May 13, 2008, making them consistent with the Code's guidelines.
Appointment of Directors			
Has the Board of Directors considered the possibility of establishing a Nominations Committee?		X	In view of the current structure of the Company's shareholder base and considering the corporate governance rules adopted as a result, there appears to be no need for a Nominating Committee.
Were the nominations to the Board of Directors filed at least fifteen days in advance and were they accompanied by exhaustive information, including information about the candidate's independence, if applicable?	X		
Compensation of Directors			
Has the Board of Directors considered the possibility of establishing a Compensation Committee?	X		
Are all committee members non-executive Directors, the majority of whom are independent Directors?	X		
Does the Committee submit to the Board proposals concerning the compensation of the Chief Executive Officer and of Directors who perform special functions and review on a regular basis the criteria used to determine the compensation of executives with strategic responsibilities, monitoring their implementation and making general recommendations to the Board of Directors in this area?	X		
Is the compensation of executive Directors tied in part to the Company's operating performance and the achievement of objectives predetermined by the Board of Directors?	X		

	YES	NO	Brief description of the reasons for any deviations from the recommendations of the Code
System of Internal Controls			
Has the Board of Directors considered the possibility of establishing an Audit Committee?	X		
Are all committee members non-executive Directors, the majority of whom are independent Directors?		X	The Audit Committee comprises four non-executive Directors, including one independent Director.
Does at least one Committee member have a level of experience in accounting and finance that the Board of Directors deemed to be adequate at the time of appointment?	X		
Does the Board of Directors define the guidelines of the System of Internal Controls and assess its adequacy, efficacy and effectiveness, and has the Board assigned to an executive Director the task of overseeing the system's functionality?	X		
Does the Committee provide support to the Board of Directors, evaluate the correct use of the accounting principles, review the work program and the reports of the Internal Control Officer, evaluate the bids submitted by Independent Auditors and the effectiveness of their audits, and report to the Board of Directors (at least semiannually) on the work it has performed and on the effectiveness of the Company's system of internal controls?	X		
Does the Chairman of the Board of Statutory Auditors or another Statutory Auditor that he designate attend meetings of the Audit Committee?	X		
Does the executive Director responsible for overseeing the functionality of the System of Internal Controls map key corporate risks and implement the guidelines defined by the Board of Directors?	X		
Has the Board of Directors appointed an Internal Control Officer, based on a recommendation by the executive Director responsible for overseeing the functionality of the System of Internal Controls?	X		
Has the Board of Directors determined the compensation of the Internal Control Officer?	X		The compensation of the Internal Control Officer is determined in a manner consistent with the Group's management compensation policies, in accordance with general guidelines reviewed by the Compensation Committee.
Does the Internal Control Officer who is responsible for assessing the adequacy of the overall system of internal controls, separate from the operational departments, and not responsible of any operational department have access to all of the information needed for his job and does he report to the Audit Committee and the Board of Statutory Auditors?	X		
Has the issuer established an internal audit organization and is the Internal Control Officer in charge of this organization?	X		
Has the issuer adopted an organizational model consistent with the requirements of Legislative Decree No. 231/2001?	X		
Interests of Directors and Transactions with Related Parties			
Has the Board of Directors adopted effective operating procedures to facilitate the identification and appropriate handling of transactions in which a Director has a direct or third-party interest?	X		
Has the Board of Directors defined appropriate procedures to review and approve transactions with related parties?	X		This procedure also applies to Significant Parties, which include: (i) TdE; (ii) shareholders of TdE; (iii) shareholders of shareholders of TdE; (iv) one or more related parties (as defined by the IASs); (v) other companies or entities that control, are controlled by or are under the joint control of the abovementioned parties; and (vi) other companies or entities in which the abovementioned parties hold an equity interest. All of the above does not apply to Edison subsidiaries and standard financial transactions with credit institutions who are Delmi shareholders.
When determining the methods used to approve and execute transactions with related parties, has the Board of Directors defined specific transactions or provided guidelines to identify the transactions that require its approval, based on the input of the Audit Committee and/or the support of independent experts?	X		

Report on Corporate Governance and the Company's Ownership Structure

	YES	NO	Brief description of the reasons for any deviations from the recommendations of the Code
Board of Statutory Auditors			
Does the issuer require that a Statutory Auditor who has a direct or third-party interest in a transaction involving the issuer provides promptly the other Statutory Auditors and the Chairman of the Board of Directors with detailed information about the nature, terms, origin and scope of the abovementioned interest?	X		The Board of Statutory Auditors adopted the 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 for approval. No situations that would have required the members of the Board of Statutory Auditors to provide such a disclosure occurred in 2008.
Does the Board of Statutory Auditors monitor the independence of the Independent Auditors, ensuring that they comply with statutory requirements with regard to the nature and scope of services other than auditing that the Independent Auditors and other entities belonging to the same network may provide to the issuer and its subsidiaries?	X		
In performing its activity, does the Board of Statutory Auditors cooperate with the internal auditing function and the Audit Committee?	X		
Has the Board of Statutory Auditors adopted the Code's recommendations regarding the assessment of the independence of its members?	X		
Were the nominations to the Board of Statutory Auditors filed at least fifteen days in advances and were they accompanied by exhaustive information?	X		
Relations with Shareholders			
Has the issuer created an easily identifiable and accessible section of its website where its shareholders can access relevant information, so that they may make informed decisions about the exercise of their rights?	X		
Has the Company adopted Regulations for the Conduct of Shareholders' Meetings?		X	The Company has not adopted specific regulation for the conduct of its Shareholders' Meetings because it believes that the powers granted to the Chairman of the Meeting under the Bylaws, which include moderating discussions and determining voting order and procedures, are sufficient to ensure that the Meeting progresses in an orderly fashion and that these general powers avoid the risks and inconveniences that could arise should the Meeting fail to comply with the provisions of specific regulations.
Has the Board of Directors provided the Shareholders' Meeting with a report on the work they performed and plan for the future, giving shareholders adequate disclosures about relevant facts, so that they may make informed decisions about the items on the Meeting's Agenda?	X		
Have significant changes in the market capitalization of the issuers' shares occurred during the year?	X		In 2008, Edison's stock market capitalization changed significantly, due mainly to conditions in the stock market.
Have significant changes in the issuers' shareholder base occurred during the year?		X	
Has the Board of Directors considered the possibility of recommending that the Shareholders' Meeting amend the provisions of the Bylaw that concern the percentages required to exercise the rights conveyed by the shares and the prerogatives established for the purpose of protecting the rights of minority shareholders?		X	As explained earlier in this Report, the Bylaws were amended in 2007 to make them consistent with new statutory requirements and with the guidelines provided by Consob with regard to the minimum ownership thresholds required of minority shareholders who wish to file slates of candidates to positions on the Company's governance bodies. The Board of Directors believes that, at this juncture, it would not be advisable to ask the Shareholders' Meeting to amend further the provisions of the Bylaws that concern the percentages required to exercise the rights conveyed by the Company's shares and the However, the Board of Directors reserves the right to modify, through amendments to the Bylaws or by other means, the procedures and requirements for attending Shareholders' Meetings and exercise the right to vote, once the EU directive on shareholder rights is incorporated into the Italian legal system.

BOARD OF DIRECTORS

POSTS HELD BY DIRECTORS AT DECEMBER 31, 2008

Director	Posts held at other companies	TdE Group companies	Cos. in TdE sharehold. group
Giuliano Zuccoli	Chairman Managing Board of A2A Spa (*)		X
	Director Atel Sa		X
	Director Atel Holding Sa		X
	Deputy Chairman Banca Piccolo Credito Valtellinese Scpa (*)		
	Director Delmi Spa		X
	Chairman Ecodeco Srl		X
	Chief Executive Officer Transalpina di Energia Srl	X	
Umberto Quadrino	Director Edipower Spa	X	
	Chairman Edison Trading Spa	X	
	Director Transalpina di Energia Srl	X	
Marc Boudier	Director Atel Sa		X
	Director Atel Holding Sa (ex Motor Columbus Sa)		X
	Chairman EDF Belgium		X
	Director and Chief Executive Officer EDF International Sa		X
	Chairman EDF Péninsule Ibérique		X
	Member Supervisory Board of EnBW Ag (*)		X
	Director Transalpina di Energia Srl	X	
Daniel Camus	Member Supervisory Board of Dalkia		X
	Chief Executive Officer EDF Sa (*)		X
	Chairman EDF Energy Plc		X
	Chairman EDF Energy Group Holdings Plc		X
	Chairman EDF Energy UK Ltd		X
	Chairman EDF International Sa		X
	Member Supervisory Board EnBW Ag (*)		X
	Director and Manager Lake Acquisitions Ltd		X
	Member Supervisory Board Morphosys		
	Member Supervisory Board SGL Carbon (*)		
	Director Transalpina di Energia Srl	X	
	Director Valeo		
Mario Cocchi	Member Managing Board A2A Spa (*)		X
	Chief Executive Officer Carlo Tassara Spa		
	Director Carlo Tassara International Spa		
	Chairman Energia e Servizi Srl		
	Chairman Fincamuna Spa		
	Director Finanziaria di Valle Canonica Spa		
	Director HOPA Spa		
	Chief Executive Officer Metalcam Spa		
Pierre Gadonneix	Chairman and Chief Executive Officer EDF Sa (*)		X
	Chairman Transalpina di Energia Srl	X	
Gregorio Gitti	Director Ansaldo STS Spa (*)		
	Director Flos Spa		
	Director HOPA Spa		
	Director Librerie Feltrinelli Srl		
	Chairman Lombarda 24 - 7 Finance Srl		
	Chairman Lombarda Lease Finance 2 Srl		
	Chairman Lombarda Lease Finance 3 Srl		
	Chairman Lombarda Lease Finance 4 Srl		
	Chairman Lombarda Mortragage Finance 1 Srl		
	Chairman Metalcam Spa		
	Deputy Chairman Tethys Srl		

POSTS HELD BY DIRECTORS AT DECEMBER 31, 2008

Director	Posts held at other companies	TdE Group companies	Cos. in TdE sharehold. group
Gian Maria Gros-Pietro	Chairman Atlantia Spa (*) Chairman Autostrade per l'Italia Spa Director Fiat Spa (*) Chairman Perseo Spa Director Seat Pagine Gialle Spa (*)		
Marco Merler	Director Dolomiti Energia Spa Director Transalpina di Energia Srl Chief Executive Officer Trentino Servizi Spa Chairman Trenta Spa	X	X X X
Renato Ravanelli	General Manager and Member Managing Board of A2A Spa (*) Sole Director A2A Trading Srl Sole Director A2A Energia Srl Chairman ASM Energia e Ambiente Srl Director Delmi Spa Director Ecodeco Srl Director Edipower Spa Director Transalpina di Energia Srl	X X	X X X X X X
Paolo Rossetti	General Manager and Member Managing Board of A2A Spa (*) Director Aprica Spa Sole Director AEM Calore e Servizi Spa Sole Director AEM Distribuzione Energia Elettrica Spa Sole Director AEM Distribuzione Gas Spa Chairman and Chief Executive Officer ASM Reti Spa Director ASM Energia e Ambiente Srl Director ASM Distribuzione Elettricit�a Srl Director Delmi Spa Director Ecodeco Srl Director Edipower Spa Director Transalpina di Energia Srl	X X	X X X X X X X X
Andrea Viero	Chief Executive Officer Enia Spa (*) Director Transalpina di Energia Srl	X	X
Gerard Wolf	Member Supervisory Board of Dalkia Director Dalkia International Member Executive Committee Dunkerque Lng Deputy Chief Operating Officer EDF Sa (*) Director EDF International Sa Member Supervisory Board of EnBW Ag (*) Manager Board of Directors Lake Acquisitions Ltd Director Transalpina di Energia Srl	X X	X X X X X X

(*) Company with shares traded in regulated markets.

CURRICULA OF DIRECTORS

Giuliano Zuccoli

Giuliano Zuccoli was born in Morbegno (province of Sondrio) on April 12, 1943.

He graduated with a Degree in Electronic Engineering from the Milan Polytechnic in 1968.

He is a member of the Board of Engineers of the Province of Sondrio.

He is married, has three children and lives in Milan.

Professional Background

- He began his professional career at the Falck Group, a steel producer, assuming ever greater responsibilities until, in 1990, he was named General Manager of Falck Nistri, a leader in the production of specialty rolled steel.
- In 1985, he was appointed General Manager of "Società Nordelettrica Spa Sondel," an electric utility listed on the Milan Stock Exchange, where he was later appointed Chief Executive Officer.
- In December 1996, he was elected to the Board of Directors of Milan's AEM Spa, having been nominated by the Manufacturers' Association of the Province of Sondrio. In June 1997, he was given authority to coordinate and manage AEM's business activities. In September 1997, he was appointed Chief Executive Officer of AEM Spa and was named Chairman of the Board of Directors in May 1999.
- From March 2002 to July 2006, he served as Chairman of Edipower Spa, the consortium that submitted the winning bid to acquire Eurogen, one of the three generating companies divested by Enel.
- Since July 2000 he has been Chairman of Federelettrica. In October 2003, he was reelected Chairman of Federelettrica (renamed Federenergia in January 2004) and, in June 2005, was named Chairman of Federutility.
- In July 2005, he was elected Chairman of Delmi Spa and is currently a Director and Chief Executive Officer of Transalpina di Energia Srl and Chairman of Edison Spa. In March 2008, he was named Chairman of the Managing Board of A2A Spa, a company created in January 2008 as a result of the merger of AEM Spa and ASM Brescia Spa.

Umberto Quadrino

Umberto Quadrino was born in Turin on May 15, 1946.

He graduated with a Degree in Economics from Turin University in 1969.

Professional Background

- In 1970, after working at the research department of the Turin Manufacturers' Association, he joined the Accounting and Finance Department of the Fiat Group.
- In 1976, he became an assistant to Cesare Romiti, Fiat's Chief Executive Officer, serving in this position until 1980, when he was named Accounting and Control Manager of Fiat Spa.
- Beginning in 1982, he held management positions at the manufacturing divisions of the Fiat Group, serving first as Finance, Accounting and Control Manager and head of international operations at Iveco (Commercial Vehicles Division) and later, in 1987, as Chief Executive Officer of Gilardini (Industrial Components Division).
- In 1991, he was called back to the Group's Parent Company, where he served as Executive Vice President with responsibility for coordinating the Group's non-automotive divisions.
- In 1996, he was appointed Chief Executive Officer of New Holland, Fiat's agricultural and construction equipment division.
- At the end of 2000, he was again called back at Fiat and named Executive Vice President in charge of the following divisions: aviation (Fiat Avio), rolling stock and railways systems (Fiat Ferroviaria), engineering (Fiat Engineering), automotive components (Magneti Marelli), metallurgic products (Teksid), production systems (Comau), and the Fiat Research Center.
- In September 2001, following the takeover of Montedison by Italerenergia (in which Fiat held a major equity interest), he was appointed Chairman both of Montedison and Edison, which were later merged into one company.
- Currently, he is Edison's Chief Executive Officer.
- He is also a Director of Transalpina di Energia Srl.

Marc Boudier

Marc Boudier is 53 years old. He holds a Law Degree from "Sciences Po" University in Paris and is a fellow of the ENA Institute (class of 1981). He is married and has three children.

Professional Background

- He began his professional career at the Ministry of Finance, Department of Foreign Trade Relations.
- In 1984, he was named Advisor to the Industry and Trade Minister and, from 1985 to 1990, served as Advisor to President François Mitterrand for International Economic Affairs (bilateral and multilateral trade relations, EU and G7 meetings, establishment of the BERD).
- Before joining EdF, he worked for nine years at the Vivendi Group, where he managed the International Department with responsibility for Central and Eastern Europe. In this capacity, he established, developed and headed Dalkia, currently an energy joint venture of Vivendi Environment (now Veolia) and EdF.
- He joined EdF in 2001, first as manager of the Group's operations in the European Union and Switzerland and, in February 2002, as Director for Continental Europe (including Germany and the countries in Central and Eastern Europe).
- In the spring of 2005, he was appointed Director for Europe, with responsibility for managing and developing the investments of the EdF Sa Group in Germany, Italy, Belgium, Switzerland, Austria and Spain. He sits on the Boards of Directors of EnBW, Estag, Atel, Transalpina and Edison.

Daniel Camus

Daniel Camus is 55 years old. He is a graduate of the Paris Institute of Political Studies, holds a Doctorate in Economics and was Associate Professor of Management Sciences

Professional Background

- He joined EDF in 2002, after working for 25 years in the chemical and pharmaceutical industries at companies of the Hoechst/Aventis Group in Germany, the United States, Canada and France.
- At EDF, he holds the positions of Senior Executive Vice President and Chief Financial Officer. He has served as Chief Financial Officer since 2002. His area of responsibility includes the Company's information systems, purchasing and real estate management. In 2005, he managed the process of listing the shares of EDF on the Paris Stock Exchange.
- In his last three positions he headed the Finance Department and was a member of the Managing Board of (in chronological order) Roussel Uclaf Sa, based in Paris, Hoechst Marion Roussel AG and Aventis Pharma AG, based in Frankfurt (Germany) and Bridgewater, N.J. (USA). In this capacity, he managed the transformation of the financial structure of these global companies and their successive mergers, which ultimately resulted in the merger of the Hoechst and Rhône Poulenc Groups that created Aventis in 1999.

Mario Cocchi

Born in Niardo (BS) on July 18, 1953, a town of which he is still a resident today, he earned a bookkeeping diploma from the Technical Commercial Institute in Darfo B.T. (BS) in 1973.

Professional Background

- He has been working at the Tassara Group since 1973. He honed his professional skills concurrently with the development of the Group, where he was given steadily more important and exceptional assignments, particularly in light of his young age.
- He is Chief Executive Officer of Carlo Tassara Spa and Chairman of Fincamuna Spa and Energia e Servizi Srl.
- He was the principal promoter of the establishment of E.L.V.A. Spa, a consortium company engaged in the distribution of electric power.
- He was a Director and served on the Strategy Committee of Edison Spa from October 2002 until November 2005.
- On March 11, 2008, he was appointed to the Managing Board of A2A Spa.
- On May 1, 2005, he was honored with the Star of Labor Merit, which was given to him personally by G. Tremonti, Italy's Finance Minister.

- Married with two children, he is actively involved in social issues, having served as Mayor of Niardo (BS) from 1993 to 2004.

Pierre Gadonneix

Pierre Gadonneix was born in New York on January 10, 1943. He holds a Doctorate in Business Economics from the Harvard Business School, is a graduate of the Ecole Polytechnique (class of 1962) and holds a Degree in Economics from the Ecole Nationale Supérieure du Pétrole et des Moteurs.

Professional Background

- An experienced businessman, Pierre Gadonneix has spent most of his career in the industrial sector.
- As EDF's Chairman and CEO since September 15, 2004, Pierre Gadonneix launched and managed a project to expand the Group's industrial operations and increase its profitability, focusing mainly on Europe. Under his leadership, EDF further strengthened its balance sheet and, working jointly with Italian industrial groups, succeeded in gaining control of Edison.
- Pierre Gadonneix has been appointed to several high-profile positions in the international energy industry. In 2006, he was elected for a three year term, from 2007 to 2010, Chairman of the World Energy Council which includes among its members the leading players in the global energy industry. He has served as this organization's European Deputy Chairman since 2004.
- Pierre Gadonneix is also a member of the Economic and Social Council and a Director of the National Political Science Foundation.
- From 1996 to 2004, Pierre Gadonneix served as Chairman and CEO of Gaz de France, a group he had joined nine years earlier, in 1987, as its Chief Executive Officer. In 1999, he was reelected Chairman and CEO.
- From 1993 to 1999, he chaired the French Energy Council.
- From 1978 to 1987, Pierre Gadonneix was Director of Metallurgical, Engineering and Electrical Industries at the Ministry of Industry, where he contributed to the restructuring of the French steel industry.
- In 1976, Pierre Gadonneix was appointed technical advisor to the Minister of Industry and Research. Earlier he served as Director of the Institut de Développement Industriel (IDI), the leading French investment organization specializing in SMEs. He had joined the Institute in 1972 as project manager, later becoming department manager.
- In 1969, he founded SEFI, an information technology services company with a staff of about 50 engineers. He managed this company for two years before selling it to a major industrial group in 1972.
- He began his career in 1966 at the Elf Aquitaine Group, as an engineer in the Information Technology Department, moving later to the Sales Division of Aquitaine Organico.
- Pierre Gadonneix has also served on the Boards of Directors of major groups, including: EDF (78/87), Elf-Erap (88/95), Usinor (82/87), Renault (78/87), SNCF (83/87) and France Telecom (98/03).
- In 1975, Pierre Gadonneix published his Harvard Doctoral Dissertation, which was entitled "An Attempt to Meet the U.S. Challenge in the French Computer Industry." In addition, Pierre Gadonneix taught Economics at the Ecole Polytechnique for 10 years (from 1983 to 1992).
- Pierre Gadonneix is an Officer of the National Order of the Legion of Honor and a Commander of the National Order of Merit and of the Order of Arts and Letters. Pierre Gadonneix is married and has three children.

Gregorio Gitti

Born in Brescia on June 21, 1964, he resides in Brescia.

Law Degree from the University of Pavia with a graduation grade of 110/110 with honors during the 1987/1988 academic year.

Academic and Professional Background

- On January 16, 1991, he was appointed researcher for the "Private Law" scientific-disciplinary area at the Pavia Law School.
- Substitute professor for the official course of Institutions of Private Law at the School of Economics of the Universities of Bergamo (1995/1996 academic year), Pavia (1996/1997, 1997/1998 and

1998/1999 academic years) and Brescia (1996/1997 and 1999/2000 academic years).

- On November 1, 1999, appointed associate professor of Institutions of Private Law at the School of Economics of the S. Cuore Catholic University of Milan.
- On November 1, 2000, appointed extraordinary professor of Institutions of Private Law at the School of Economics of the University of Brescia.
- On September 10, 2003 named tenured professor of Institutions of Private Law at the Law School of the University of Milan, effective as of November 1, 2003.
- Member of the management team of *Rivista di Diritto Privato* since 1995.
- Member of the editorial board of *Rivista di Diritto Civile* since 2002.
- Author of numerous publications (articles, publications and commentaries to court decisions), mainly in the areas of obligation law, contract law and banking and financial market laws, and of two books entitled "Contratti Regolamentari e Normativi", Padua, Cedam, 1994, and "L'Oggetto della Transazione", Milan, Giuffrè, 1999; editor of the books "L'Autonomia Privata e le Autorità Indipendenti. La Metamorfosi del contratto", Bologna, Il Mulino, 2006 and "Il Terzo Contratto", Bologna, Il Mulino, 2008.
- Founding partner of Studio Legale Gitti – Pavesi, established in Milan on December 27, 2002, which specializes in providing support, in court proceedings and in extrajudicial settings, in the areas of civil law, commercial law, corporate law and financial and banking market law (recently served as advisor in the mergers of Banca Lombarda and BPU and of BPI and Banca Popolare di Verona e Novara) and in the energy industry (recently served as advisor in the merger of AEM Milano and ASM Brescia).

Governance Posts Held

- Chairman of Boards of Directors of vehicle companies established in connection with receivables securitization programs (Lombarda Lease 24 - 7 Finance Srl, Lombarda Lease Finance 2 Srl, Lombarda Lease Finance 3 Srl and Lombarda Mortgage Finance 1 Srl, subject to the oversight of the Bank of Italy), based in Brescia.
- Since March 2008, Chairman of Metalcam Spa (a company of the Tassara Group) and, since April 2008, member of the Board of Directors of Ansaldo STS Spa.

Gian Maria Gros-Pietro

Gian Maria Gros Pietro was born in Turin on February 4, 1942. He is Professor of Economics at the LUISS Guido Carli University in Rome, Director of the University's Economics and Business Sciences Department and has published numerous works on economic and industrial subjects.

Professional Background

- Chairman of the Atlantia Group (formerly Autostrade) since June 2002, he also serves as an independent Director of Fiat and Seat P.G.
- He is a member of the Managing Board and Executive Committee of Confindustria and Chairman of Federtrasporto, the Italian federation of transportation companies that are members of Confindustria.
- From 1997 to 1999, he served as Chairman of IRI and was ENI's Chairman from November 1999 to May 2002. From 1974 and 1995, he managed CERIS, the most important economics institute within CNR.
- As an expert in industrial policy, he has worked on privatization projects, holding important positions on the Commissions overseeing divestments of government owned companies.
- He serves as Senior Advisor for Italy at Société Générale Corporate & Investment Banking since this company's establishment and is Chairman of Perseo Spa, a holding company.

Marco Merler

Marco Merler was born in Trent on June 23, 1965.

High school education: Technical Commercial Institute of the Trent Archdiocese School. Graduation grade: 60/60.

University education: Degree in Economics and Business Administration from the University of Trent. Grade point average higher than 29/30. Graduation grade: 110/110 with honors. Dissertation title: Mathematical Models to Manage Interest Risk. Dissertation advisor: Prof. Luca Erzegovesi.

Academic and Professional Background

- Licensed to practice as a Certified Public Accountant by virtue of having passed the required exam at University of Trent during the first session in 1991.
- Listed in the Register of Independent Auditors.
- In 1989 and 1990, cooperated in the preparation of teaching materials and provided classroom support during courses taught by Prof. Luca Erzegovesi in collaboration with ASSOBAT - Associazione Operatori Bancari in Titoli, an association based in Milan and Florence.
- From 1991 to 1998, worked as an instructor in the context of post-graduate courses organized by several institutions and funded by the European Social Fund, mainly in the areas of management information technology and valuation of financial instruments.
- From 1992 to 1995, teacher of Banking Techniques to Fifth-level Classes of the Technical Commercial Institute of the Trent Archdiocese School and served on the high school graduation exam commission as school representative in 1994 and 1995.
- Served as practice instructor for the Financial and Currency Management course at the School of Economics of the University of Trent in the 1995/1996, 1996/1997, 1997/1998, 1999/2000 and 2000/1001 academic years and for the Corporate Economics course in the 1999/2000 academic year.
- Contract professor for the Securities Market Economics course at the School of Economics of the University of Trent in the 1996/1997 academic year.
- Following the work done in connection with his degree dissertation, he collaborated in the design and implementation of a result assessment and financial planning IT system for Mediocredito del Trentino Alto-Adige. Work in this area continued with assignments for software companies in connection with the development of Windows-based packages for the valuation of treasury securities and derivatives.
- Other assignments included collaborating with and providing consulting support to small and medium-size businesses in the areas of currency and company management systems, financial management systems and management reporting in general.
- Partner in and joint owner of (with family members) a company in the floricultural and produce businesses.

Governance Posts Held

- Director of Autostrada del Brennero Spa from December 1998 until May 2004.
- Director of Aeroporto Caproni Spa since May 1999 - Deputy Chairman from May 2000 to September 2001.
- Director of Infostrutture del Trentino since June 2000 and, following a merger, Director of Alpkom.
- Director of Trentino Servizi Spa since September 2001 and, since June 2004, Chief Operating Officer with full executive authority.
- Chairman of Trenta Spa.
- Director of SET Distribuzione Spa.
- Director of Dolomiti Energia Spa.
- Member of the Board of Statutory Auditors of ISA Spa since May 1999.
- Member of the Board of Statutory Auditors of Delmi Spa from 2005 to 2008.
- Councilman of the City of Trent from 1995 to 1999 and, from October 1998 to June 1, 1999, Commissioner of Public Works, Traffic and Municipal Assets.

Renato Ravanelli

Renato Ravanelli was born in Milan in 1965. He holds a Degree in Business Administration from Università Cattolica of Milan.

Professional Background

- After a period of time spent at universities' departments, where his research projects focused mainly on the utilities industry, he worked for four years in the economic research departments of financial institutions, first as a macro-economist and later as an industrial sectors analyst.
- In 1996, he joined AEM as manager of the Economic Research Department. Subsequently, he was appointed Manager of Strategic Group Planning and was later named Chief Financial Officer. At the

- AEM Group, he also served as Chief Executive Officer and Managing Director of AEM Trading Srl.
- In 2005, he was named Group Chief Financial Officer of Edison Spa and served in this capacity until July 2007.
 - He is currently General Manager, Corporate and Market Area, of the A2A Group.

Paolo Rossetti

Born in Brescia on June 25, 1951, he is married with three children.

Graduated from Milan's Politecnico University in 1975 with a Degree in Mechanical Engineering, he was licensed to practice as a professional engineer in 1976.

Professional Background

- 1976-1981 – Ocean Spa Group: Production Quality Manager (1976-1977); Product Manager for the European and U.S. markets (1977-1980); Deputy Director for product design and relations with major customers (1980-1981); member of the ANIE international certification commission and of similar commissions for Europe (BSI, VDE, AFNOR and Kema) and the United States (UL). Frequent and extended assignments outside Italy made it possible to acquire a solid knowledge of foreign languages, English and German in particular.
- 1981-2007 – ASM Spa, now A2A: Manager of the Organizational Development and Training Department (1981-1984); Project Manager of the Sintesi Spa project (1984-1987); Head of Personnel Recruitment, Training and Development (1987-1992); Head of Management Control, Economic Analysis, Organization and Quality (1993-1995); Manager of the Personnel Department (1996-1999); Director of the Corporate Function (2000-2007) and, since 2002, also Deputy General Manager; Member of the Managing Board of A2A; and Joint General Manager of A2A (January 1, 2008 to present). He is Chairman and Chief Executive Officer of ASM Reti and a Director of Delmi, Transalpina di Energia, Edipower and other companies of the A2A Group.
- Acting independently or with the support of advisors, he has managed projects involving acquisitions or alliances, both in Italy and abroad. In this capacity, he has managed the partnership project with Endesa SA, the participation in the competitive bidding to acquire Edison Spa, acquisitions of distributors and marketers of primary energy sources, the acquisition from ENEL of the business operations that distribute electric power in 45 municipalities in the province of Brescia and other lesser projects.
- He represented his company on technical Ministry commissions and before the agencies that regulate the energy industry. He has been a lecturer at conventions and communication events concerning local utility services.

Andrea Viero

Andrea Viero is 44 years old. He graduated from the L. Bocconi University, in Milan, with a Degree in Business Economics and holds a Diploma from the Italian Academy of Business Economics.

Academic and Professional Background

- In May 2008, he was appointed Chief Executive Officer of Enia Spa and, in this capacity, manage the merger of Enia Spa and Iride Spa
- From 1996 to 2008 he served as General Manager or Central Manager in various entities of the public administration. More specifically:
 - General Manager of the Autonomous Region of Friuli Venezia Giulia (since January 2004);
 - General Manager of the City of Gorizia (since October 2002);
 - Central Manager of the City of Milan (since September 2001);
 - General Manager of the City of Trieste (since September 1996).
- Since 1989 he has been a professor at the Business Management School of the L. Bocconi University, in Milan.
- From 1989 to 1996 he was a contract professor of Public Administration Economics at the L. Bocconi University, in Milan.
- He has contributed to numerous research projects and served as coordinator in organizational and management rationalization projects, the most recent of which included: the reorganization of the Ital-

ian National Highway Administration (formerly ANAS); restructuring of the organization and of the accounting systems required by Decree law No. 77, integrated with the management control system, for numerous municipal administrations.

- As an expert in Project Finance, he collaborated in the definition of the Emster Project for the Brandenburg Land.
- He handled numerous assignments outside Italy, including serving as an assistant to the Director of the Organization Sector of the Senatus für Inneres of the West Berlin Land and the Transportation Sector (BVG – Berliner Verkehrsgesellschaft) from June to October 1989, and as a teacher at New York University from September 1992 to September 1993.

Gerard Wolf

Gérard Wolf is 53 years old. He is an Agricultural Engineer and a graduate of the INA [National Institute of Agriculture] and the "Institut d'Etudes Politiques" [Institute for Political Studies] in Paris.

Professional Background

- He joined EDF in 1998, serving as Executive Coordinator for the CEO's office until March 2000, when he was appointed Executive Vice President for Group Coordination (2001-2002) and Executive Vice President for the Group's business networks (2003-2004). From November 2004 until 2005, he was in charge of Group Development and Major Projects for the EDF Group. In this capacity he managed the team that was responsible for acquiring control of Edison Spa.
- At EDF, he serves as Senior Executive Vice President, Branches and International Development, a post to which he was named in 2006.
- Before joining EDF, Gérard Wolf served as Deputy Manager of Emergency and Fire Fighting Services at the Ministry of the Interior from 1996 to 1998.
- Earlier, between 1986 and 1996, he served in various positions on the Prefect's staff in the Departments of Gard, Hautes Pyrénées and Saône et Loire. Concurrently with these assignments, he was technical advisor and then chief of staff of the Secretary of State for Defense. In this position, which he held from 1988 to 1990, he handled relations with defense contractors. From 1991 to 1992, at the request of Pierre Joxe, then Minister of Defense, he established the Office for Restructuring of the Ministry of Defense.
- Between 1994 and 1996, he was a member of various teams responsible for handling issues related to New Caledonia, both in Paris and Nouméa, working in particular with Edgard Pisani. He speaks four languages and manages several sports associations.

EXCERPT FROM THE BYLAWS

Article 14 – Board of Directors

1. The Company is governed by a Board of Directors comprising 12 (twelve) Directors, or 13 (thirteen) when one or more minority slates are filed and included in the balloting pursuant to Article 147-*ter* of Legislative Decree No. 58/1998, as amended, in accordance with the procedure outlined below, without prejudice to the provisions of Section 21 below. Directors remain in office for a term of 3 (three) fiscal years, unless a shorter term of office is set by the Shareholders' Meeting that appoints them. The term of office of the Directors expires on the date of the Shareholders' Meeting convened to approve the financial statements for the final year of the Directors' term of office. Directors may be reelected. Upon the expiration of their term of office, Directors cease to be in office when a new Board of Directors is empanelled.
2. Directors are required to comply with the requirements set forth in the applicable laws and regulations. At least 2 (two) Directors (or any other number that may be required pursuant to the applicable laws) must meet the independence requirements set forth in the relevant laws and regulations.
3. Directors are not bound by the non-compete obligation referred to in Article 2390 of the Italian Civil Code, unless the Shareholders' Meeting resolves otherwise.
4. Except for the cases outlined in Sections 16 and following of this Article, the Board of Directors is elected on the basis of slates of candidates, who are listed in consecutive order. Each slate may not contain more than 12 (twelve) candidates. At least 2 (two) of the candidates (or any other number that may be required pursuant to the applicable laws) must meet the independence requirements set forth in the relevant laws and regulations.
5. Only shareholders who, alone or in combination with other shareholders, represent in the aggregate a percentage of the shares conveying the right to vote at Ordinary Shareholders' Meetings equal to the maximum percentage required for this purpose pursuant to the provisions of the applicable laws and regulations are entitled to file a slate of candidates.
6. Individual shareholders or shareholders who are deemed to be linked together, directly or indirectly, pursuant to the regulations issued by the Consob to implement Article 148, Section Two, of Legislative Decree No. 58/1998, as amended, as it applies to issues concerning the Board of Statutory Auditors, may file and vote for only one slate, either directly or through a representative or nominee and each candidate may stand for election only on one slate, on penalty of losing the right to be elected. If this provision is not complied with, only expressions of support and votes cast for the slate filed by or voted by the higher number of parties entitled to file and vote for a single slate that received the highest percentage of expressions of support or votes, in both cases in terms of share capital, shall be taken into account and any expressions of support or votes cast for other slates shall not be taken into account. In all cases, the parties listed below may not file, contribute to filing or vote for a slate other than the slate filed by or voted by the shareholder who owns a controlling interest in the Company (in accordance with the definition of control set forth in Article 2359 of the Italian Civil Code). These parties are: (a) parties who own an interest equal to at least half the share capital of the shareholder who owns a controlling interest in the Company; (b) shareholders of the parties referred to in Letter (a) above; and (c) other companies or entities that control, are controlled by or are under the joint control of the parties referred to in Letters (a) and (b) above and their shareholders (in accordance with the abovementioned definition of control).
7. Anyone who does not meet the requirements of the applicable laws or this article or who are unelectable or are required to relinquish their office pursuant to the relevant laws or regulations may not be listed on a slate and, if elected, shall be removed from office.
8. Slates, signed by the filing shareholder or shareholders (who may appoint one of them as their proxy), must be filed at the Company's registered office at least 15 (fifteen) calendar days before the date of the Shareholders' Meeting's first calling and disclosure thereof shall be provided in the Notice of the Shareholders' Meeting. In order to provide evidence of the ownership of the voting rights corresponding to the number of shares needed to file slates of candidates, shareholders are

required to file at the Company's registered office, concurrently with the slates, certifications issued by authorized intermediaries, in accordance with the applicable laws.

9. The following documents must be filed, together with the slates, at the Company's registered office within the abovementioned deadline: (i) information about the identity of the shareholders who are filing a slate and the total equity interest they hold; (ii) an affidavit from shareholders who do not own, individually or jointly, a controlling interest in or a relative majority of the Company's capital attesting that they are not parties to any relationship that would link them with the former, pursuant to law and Section 6 above; (iii) *curricula vitae* providing detailed information about the personal and professional background of each candidate, listing any management and control posts held at any other companies and indicating whether a candidate qualifies as an independent Director pursuant to the applicable laws; and (iv) statements by which the candidates accept the nomination and attest, under their own responsibility, that there are no issues that would make them incompatible or unelectable or would cause them to be removed from office and that they meet the requirements for election as Directors pursuant to law and these Bylaws.
10. Slates or individual nominations filed without complying with all of the provisions listed above shall be treated as if they had never been filed.
11. The vote cast by each shareholder shall be deemed to have been cast for the entire slate and, consequently, for all of the candidates listed therein, in the order in which they appear, no changes, additions or exclusions being allowed.
12. The election of Directors shall be carried out as follows:
 - (a) The first 12 (twelve) Directors, taken in the consecutive order in which they are listed on the slate, shall be drawn from the slate that received an absolute majority of the votes (i.e., the favorable vote of shareholders representing more than 50% of the share capital represented at the Shareholders' Meeting), without prejudice to the provisions of Section 14 below.
 - (b) 1 (one) Director shall be drawn from the slate that, among all of the slates other than the slate referred to in Letter (a) above, received the highest number of votes and was filed or voted by shareholders who are not linked in any way, directly or indirectly, with the shareholders who filed or voted for the slate that ranked first in terms of votes received, selecting the candidate who is listed first consecutively among the slate's candidates.
13. If the first two or more slates receive an equal number of votes, the Shareholders' Meeting shall proceed with a runoff ballot, voting only for the abovementioned slates, it being understood that the slate receiving the majority of the votes may be elected only if it receives the absolute majority of the votes cast (i.e., the favorable vote of shareholders representing more than 50% of the share capital represented at the Shareholders' Meeting), without prejudice to the provisions of Section 14 below. The same runoff ballot rule shall apply if the same number of votes is cast for the slates referred to in Letter (b) of Section 12 above. However, in this case, all of the shareholders who are attending the Shareholders' Meeting shall participate in a new runoff vote held for these slates and the remaining Director shall be drawn from the slate that receives a relative majority of the votes (excluding abstaining shareholders from the count), selecting the candidate who is listed first consecutively among the slate's candidates.
14. It shall be understood that on the first calling of a Shareholders' Meeting (including instances of runoff ballots) the elections of the majority slate will require the favorable vote of shareholders representing at least 50% of the Company's share capital. If on the first calling of a Shareholders' Meeting the slate referred to in Letter a) of Section 12 above fails to garner the favorable vote of shareholders representing at least 50% of the Company's share capital, no Director, including the Director that should be taken from the minority slate, shall be elected upon the first calling of a Shareholders' Meeting.
15. If only one slate is filed, the Shareholders' Meeting shall vote this slate and if the slate receives an absolute majority of the votes cast (i.e., the favorable vote of shareholders representing more than 50% of the share capital represented at the Shareholders' Meeting) and, on the first calling of a Shareholders' Meeting, the favorable vote of shareholders representing at least 50% of the Company's common shares, all of the 12 (twelve) candidates listed on that slate shall be elected.

16. If no slate is filed pursuant to Article 147-*ter* of Legislative Decree No. 58/1998, as amended, the provisions of the Italian Civil Code shall apply and the Shareholders' Meeting shall pass resolutions by an absolute majority of the votes cast (i.e., the favorable vote of shareholders representing more than 50% of the share capital represented at the Shareholders' Meeting), it being understood that on the first calling of a Shareholders' Meeting, the favorable vote of shareholders representing at least 50% of the Company's common shares will be required, and the Board of Directors shall comprise the 12 (twelve) Directors elected by the Shareholders' Meeting.
17. The foregoing provisions shall not apply to the election of Directors held on occasions other than the replacement of the entire Board of Directors.
18. If one or more Directors should cease to be in office for any reason, they shall be replaced in the manner described below.
19. If the Director who needs to be replaced was drawn from the slate referred to in Letter (a) of Section 12 above and provided a majority of the Directors consists of Directors elected by the Shareholders' Meeting, the Board of Directors shall coopt the replacement Director, as allowed by Article 2386 of the Italian Civil Code, taking him/her from the same slate as the Director who is being replaced. If for any reason there are no available or electable candidates and if the Directors who needs to be replaced had been drawn from the slate referred to in Letter (a) of Section 12 above, the Board of Directors shall coopt the replacement or replacements, as allowed by Article 2386 of the Italian Civil Code, without any restrictions on their selection.
20. If, pursuant to law, the Shareholders' Meeting should be required to elect Directors to fill vacancies on the Board of Directors, the following procedures shall be followed:
21. If the Director who needs to be replaced was drawn from the slate referred to in Letter (b) of Section 12 above, only (unelected) candidates listed on the abovementioned slate may be nominated for election and the candidate who receives the highest number of votes shall be elected. If no names are available for nomination in accordance with the preceding provisions, the right to field candidates for election as replacement for the Director who ceased to be in office, who has been drawn from the slate referred to in Letter (b) of Section 12 above, shall rest exclusively with the shareholders who, alone or jointly with other shareholders, represent in the aggregate as a minimum the percentage of the shares referred to in Section 5 and are not (i) the shareholders who originally filed or voted for the slate that received the highest number of votes; (ii) shareholders who, alone or jointly with others, own a controlling interest in or a relative majority of the Company's share capital; and (iii) shareholders who are linked in any way, directly or indirectly, with (including for the purposes of the first and/or third sentence of Section 6 above) one or more of the shareholders referred to in Items (i) and (ii) above. The replacement Director shall be chosen exclusively from among the candidates nominated by minority shareholders, in accordance with the preceding provisions, and the candidate that receives the highest number of favorable votes shall be elected. If the provisions set forth above in this section are not applied, no Director shall be elected to replace the resigning Director who had been drawn from the slate referred to in Letter (b) of Section 12 above and the number of Directors serving on the Board of Directors shall be reduced to 12 (twelve).
22. If the Directors who need to be replaced were drawn from the slate that obtained the highest number of votes or had been elected by the Shareholders' Meeting following the filing of a single slate or absent the filing of a slate, the provisions of the Italian Civil Code shall be applied and the Shareholders' Meeting shall pass resolutions by an absolute majority of the votes (therefore, with the favorable vote of shareholders representing more than 50% of the share capital represented at the Shareholders' Meeting), it being understood that on the first calling of a Shareholders' Meeting, the favorable vote of shareholders representing at least 50% of the Company's common shares will be required.
23. In accordance with Sections 21 and 22 above, only candidates who have made available or updated by the date of the Shareholders' Meeting the documents and certifications referred to in Section 9 above may be nominated.
24. The term of office of Directors elected as replacements by the Shareholders' Meeting expires concurrently with the term of office of Directors who were in office when the replacements were elected.

25. Whenever a majority of the members of the Board of Directors elected by the Shareholders' Meeting leaves office for any reason, the entire Board of Directors will be deemed to have resigned and a Shareholders' Meeting must be convened on an urgent basis by the Directors still in office to elect a new Board of Directors.

Article 15 - Compensation of the Board of Directors

1. The compensation of the Board of Directors and of the Executive Committee, if one has been established, is determined by the Shareholder's Meeting and does not change until the Shareholders' Meeting approves a new resolution.
2. The Board of Directors decides how the amount of compensation is to be allocated among its members and the members of the Executive Committee, if one has been established.
3. The compensation of Directors who perform special functions is determined by the Board of Directors, with the input of the Board of Statutory Auditors.
4. Directors are entitled to be reimbursed for expenses incurred in discharging the duties of their office.

Article 16 - Corporate Officers - Committees

1. The Chairman is elected by the Shareholders' Meeting, and if not by the Board of Directors. The Chairman is chosen from among the Directors listed with an odd number on the slate filed by the shareholder who owns an absolute majority of the common shares, when such a list is filed by the abovementioned shareholder on the occasion of a Shareholders' Meeting convened to elect a Board of Directors.
2. The Board of Directors may delegate its powers (except for those that the law or these Bylaws place within its jurisdiction) to one of its members to whom it entrusts special assignments, setting limits on the exercise of such powers. The Board of Directors may also entrust one or more of its members with assignments relating to specific transactions. The Chief Executive Officer is chosen from among the Directors listed with an even number on the slate filed by the shareholder who owns an absolute majority of the common shares, when such a list is filed by the abovementioned shareholder on the occasion of a Shareholders' Meeting convened to elect a Board of Directors.
3. The Board of Directors, acting upon a nomination by the Chief Executive Officer, appoints a Secretary to the Board of Directors, who need not be a Director.
4. The Board of Directors may also establish: (i) an Executive Committee to which it may delegate its attributions, except for those that the law or these Bylaws place within its jurisdiction; (ii) the Committees required by the codes of conduct published by institutions that operate regulated securities markets; and (iii) the Strategic Committees and other Committees with special functions. The Board of Directors determines the size of these Committees and the rules under which they operate.
5. The Chairman of the Board of Directors is automatically a member of the Executive Committee, if one is established, and serves as its Chairman.
6. Insofar as they are applicable, the rules provided in these Bylaws for the Board of Directors apply also to the Executive Committee.

Article 18 - Procedures for Convening and Holding Meetings of the Board of Directors and Approving Resolutions

1. The Board of Directors meets at the Company's registered office, or at a different location in Italy, the European Union, Switzerland, the United States of America or any other country in which the Company has operations, at the request of the Chairman of the Board of Directors or the Chief Executive Officer, whenever necessary or appropriate.
2. Meetings of the Board of Directors may also be called by the Board of Statutory Auditors, or by any of its members, provided the Chairman of the Board of Directors is informed in advance.
3. Meetings of the Board of Directors must be convened by means of a written communication, which must be sent by fax, telegram or e-mail at least 5 (five) days in advance (in urgent cases at least 2

(two) days before the meeting) to the domicile or address provided by each serving Director or Statutory Auditor.

4. The Notice of the meeting must indicate the day, time and place of the meeting and the meeting's Agenda. Within the limits of confidentiality requirements, the Chairman of the Board of Directors ensures that the Notice contains adequate information about the items on the Agenda.
5. However, the Board of Directors can adopt valid resolutions even if a meeting has not been formally convened, provided all serving Directors and Statutory Auditors are present, or at least 10 (ten) of the serving Directors and a majority of the serving Statutory Auditors are present, and the Agenda of the meeting has been communicated in advance to the absent Directors and Statutory Auditors in writing and they have agreed to allow these items to be discussed.
6. Meetings of the Board of Directors may be held via teleconferencing or videoconferencing, provided all participants can be identified and are able to follow the proceedings, participate in real time in the discussion of the items on the Agenda and receive, transmit and review documents. If these requirements are met, the meeting of the Board of Directors is deemed to have been held at the place where both the Chairman and the Secretary are located.
7. Meetings of the Board of Directors are chaired by the Chairman of the Board of Directors or, if he or she is absent or incapacitated, by another Director designated by the Chairman of the Board of Directors. If no deputy is available, the meeting is chaired by a Director appointed by the Board of Directors.
8. A meeting of the Board of Directors is validly convened when at least 10 (ten) Directors are in attendance.
9. The Board of Directors approves resolutions by a favorable vote of at least 10 (ten) Directors. However, if one or more Directors decide voluntarily (and not when so required by applicable laws or regulations) to abstain from voting on a motion, a resolution may be adopted with the favorable vote of less than 10 (ten) Directors, provided all Directors present at the meeting who did not abstain vote in favor.
10. Resolutions must be recorded in the Minutes of the meeting, which must be signed by the Chairman and the Secretary, who is appointed in accordance with the provisions of Article 16, Section 3, above.

BOARD OF STATUTORY AUDITORS

STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

Post held	Members	Elected from a slate	Independent as per Code	% of attendance at meetings of the Board of Statutory Auditors	% of attendance at meetings of the Board of Directors	% attendance at Shareholders' Meet.	No. of other posts held (*)
<i>Statutory Auditors in office (a)</i>							
Chairman	Alfredo Fossati	(b)	X	100	66,67	(d)	13
Statutory Auditor	Angelo Palma	(c)	X	85,71	83,33	(d)	13
Statutory Auditor	Leonello Schinasi	(c)	X	100	100	(d)	14
<i>Statutory Auditors no longer in office</i>							
Chairman	Sergio Pivato		X	100	50	100	-
Statutory Auditor	Salvatore Spiniello		X	50	100	100	-
Statutory Auditor	Ferdinando Superti Furga		X	75	100	100	-

Number of meetings held in 2008: 11

Quorum required to file minority slates for the election of one Statutory Auditor:

1% of the shares conveying the right to vote at Regular Shareholders' Meetings.

- (*) This column shows the number of other companies of which the party in question is a Director or Statutory Auditor. In the Table that follows, these positions are listed in detail.
 (a) Elected by the Shareholders' Meeting of April 2, 2008 for a three year period ending with the Shareholders' Meeting convened to approve the 2010 annual financial statements.
 (b) Elected from a minority slate filed by Fincamuna Spa.
 (c) Elected from a slate filed by Transalpina di Energia Srl, the majority shareholder.
 (d) Percentage not applicable because no additional Shareholders' Meetings were held subsequent to his election.

POSTS HELD BY THE STATUTORY AUDITORS AT DECEMBER 31, 2008

Statutory Auditor	Posts held at other companies	TdE Group compa-nies	Cos. in TdE sharehold. group
Alfredo Fossati	Statutory Auditor Mittel Spa (*)		
	Chairman Board Statutory Auditors Permira Associati Spa		
	Chairman Board Statutory Auditors Valentino Fashion Group Spa		
	Chairman Board Statutory Auditors Revi Investimenti Spa		
	Chairman Board Statutory Auditors Totality Group Spa		
	Chairman Board Statutory Auditors Key 21 Italia Trading Company Spa		
	Statutory Auditor Energetic Source Spa		
	Chairman Board Statutory Auditors Flyenergia Spa		
	Chairman Board Statutory Auditors Benelli Armi Spa		
	Chairman Board Statutory Auditors Linara Spa		
	Chairman Board Statutory Auditors Castello Srl		
	Director Metalcam Spa		
	Director Lavoro Spa		
Angelo Palma	Statutory Auditor Acsm Spa (*)		
	Director Banca Piccolo Credito Valtellinese Scpa (*)		
	Director Celleografia Gerosa Spa		
	Chairman Comense Beni Stabili Spa		
	Chairman Credito Artigiano Spa (*)		
	Chairman Credito Piemontese Spa		
	Statutory Auditor Euromadis Srl in liquidazione		
	Director Italplastic Industriale Spa		
	Director Lechler Spa		
	Director Rigamonti Salumificio Spa		
	Chairman Board Statutory Auditors Seco Tools Spa		
	Director Sviluppo Como Spa		
	Chairman Board Statutory Auditors Tritone Srl		
Leonello Schinasi	Chairman Board Statutory Auditors A. Raymond Italiana Srl		
	Chairman Board Statutory Auditors Aran World Srl		
	Statutory Auditor Bticino Spa		
	Chairman Board Statutory Auditors Fontex		
	Statutory Auditor Italenergia Bis Spa		
	Chairman Board Statutory Auditors Mesa Spa		
	Chairman Board Statutory Auditors Micron Technology Italia Srl		
	Chairman Board Statutory Auditors Midas Italia Spa		
	Chairman Board Statutory Auditors MNTC Holding Srl		X
	Chairman Board Statutory Auditors Tyco Electronics Amp Italia Products Spa		
	Statutory Auditor Transalpina di Energia Srl	X	
	Chairman Board Statutory Auditors Varian Spa		
	Chairman Board Statutory Auditors WGRM Holding 3 Spa		X
Chairman Board Statutory Auditors WGRM Holding 4 Spa		X	

(*) Company with shares traded on regulated markets.

CURRICULA OF THE STATUTORY AUDITORS

Alfredo Fossati

Born in Monza (Milano) on August 2, 1958.

University education: Degree in Economics and Business Administration earned in 1984 from Milan's Bocconi University.

Academic and Professional Background

- Admission to professional licensing boards: Certified Public Accountant admitted to the Milan Board of Certified Public Accountants in 1990.
- Independent Auditor: Listed in the Register of Independent Auditors pursuant to Ministerial Decree dated April 12, 1995, published in Issue No. 31-*bis*, page 317, of the *Official Gazette of the Italian Republic* on April 12, 1995.
- Since June 2003, Studio Legale e Tributario Fantozzi & Associati. Rome - Milan - Bologna
- Since June 1, 2003, Partner of Studio Legale e Tributario Fantozzi & Associati, based at the Milan office.
- From 1997 to 2003, Studio di Consulenza Legale e Tributaria - Andersen Legal - Milan and Treviso.
- From 1990 to 1997, Studio di Consulenza Legale e Tributaria - Milan.
- Beginning on September 1, 1990, partner of Studio di Consulenza Legale e Tributaria in Milan (formerly Studio di Consulenza Fiscale e Societaria), an association of attorneys at law and certified public accountants that was a member of the Andersen Worldwide network with offices in Milan, Rome, Turin, Treviso, Genoa and Bologna. Earlier, he was an employee of this company.
- Teaching activities: Lecturer at conventions and seminars organized by a number of different organizations (Board of Certified Public Accountants, IPSOA, CEGOS, UN Industria, Lugano Center of Bank Studies, etc.).
- Published works: Contribution of articles and monographs to specialized taxation and corporate affairs publications.

Governance Posts Held

- Special skills: Professional activities of particular significance were those that he performed in connection with such extraordinary transactions as acquisitions, mergers, demergers, etc., providing consulting support in the areas of taxation and corporate affairs and, more in general, within the framework of reorganizations of large and medium-size groups. In addition, he provided taxation and corporate affairs support in connection with various acquisitions of foreign companies by Italian companies and private equity funds.
- He holds governance posts in several companies. He served as Statutory Auditor of Italenergia Bis Spa from 2002 to 2005 and of AEM Spa from 2001 to 2007.

Angelo Palma

Born in Como on October 6, 1940, married, , three children and holds a Degree in Economics and Business Administration from Milan's Cattolica University.

Academic and Professional Background

- Tenured professor of Business Economics at the School of Banking, Financial and Insurance Sciences of Milan's Cattolica University.
- Certified Public Accountant and Independent Auditor.
- Founder of Studio Associato Palma, a professional corporation with offices in Como and Milan.
- Member of the Italian Academy of Business Economics.
- Author of numerous publications on corporate issues and of three books on, respectively, statutory financial statements, financial equilibrium in business management and oversight function of the Board of Statutory Auditors in the banking industry.
- Lecturer at numerous national conventions.
- Member of the Scientific Committee of the following magazines: *Il controllo nelle società e negli enti* and *Rivista dei dottori commercialisti*.
- Director and Statutory Auditor also in listed companies.

- Actively engaged in volunteer non profit organizations.
- Commander of the Order of St. Sylvester Pope.
- Member of the National Commission for the Definition of Accounting Principles from 1980 to 2002.

Leonello Schinasi

Leonello Schinasi was born in Cairo, Egypt, on June 5, 1950. He is married and was awarded a Degree in Economics and Business Administration from the Bocconi, in Milan, in 1976.

Graduation grade: 110 out of 110. Dissertation title: Tax Avoidance and Evasion. Dissertation advisor: Prof. Victor Uckmar.

Academic and Professional Background

- Certified Public Accountant since 1979. Licensed to exercise this profession by virtue of having passed the required exam at Urbino University.
- Technical consultant of the Court of Turin since 1993
- Independent Auditor since 1995.
- 1977 Pirola Pennuto Zei & Associati. Tax and legal consulting firm based in Milan.
- 1988 Founding Partner responsible for the Turin office.
- He developed a significant and consolidated expertise in providing consulting support to publicly traded and privately held companies and to national and multinational groups.
- He sits on the Boards of Statutory Auditors of several companies.
- He served as independent appraiser in connection with conveyances in kind and as consultant in the development and implementation of such extraordinary transactions as mergers, demergers, divestitures, domestic and transnational conveyances and listings of companies on regulated markets.
- In addition, he acquired important knowhow concerning groups that operate in high technology areas and telecommunications, both domestically and internationally.
- He frequently served as a tutor at professional development courses and conventions on taxation and corporate issues in Italy and, thanks to his knowledge of foreign languages, in international settings.
- Languages spoken: French (mother tongue), English, Italian, Arabic.

EXCERPT FROM THE BYLAWS

Article 22 – Board of Statutory Auditors

1. The Board of Statutory Auditors shall comprise 3 (three) Statutory Auditors and 3 (three) Alternates elected in accordance with the procedures described below, which is designed to ensure that minority shareholders are able to elect one Statutory Auditor and one Alternate.
2. Except for the cases outlined in Sections 16 and following of this Article, Statutory Auditors are elected through voting on slates of candidates. Candidates must be assigned a number and listed on the slates in consecutive order. These slates shall consist of two sections: one for candidates for the post of Statutory Auditor and another for candidates for the post of Alternate. The slates may not contain a number of candidates greater than the number of posts to be filled and shall contain one or more candidates to the posts of Statutory Auditor and Alternate.
3. Only shareholders who, alone or together with other shareholders, hold a number of shares equal in the aggregate to at least the percentage of the Company's shares that convey the right to vote at an Ordinary Shareholders' Meeting required to file slates of candidates for election to the post of Director shall have a right to file a slate, it being understood that the abovementioned percentage may be reduced pursuant to laws, regulations and the provisions of Section 8 below.
4. Individual shareholders or shareholders who are deemed to be linked together, directly or indirectly, pursuant to the regulations issued by the Consob to implement Article 148, Section Two, of Legislative Decree No. 58/1998, as amended, may file and vote for only one slate, either directly or through a representative or nominee, and each candidate may stand for election only on one slate, on penalty of losing the right to be elected. If this provision is not complied with, only expressions of support and votes cast for the slate filed by or voted by the higher number of parties entitled to file and vote for a single slate that received the highest percentage of expressions of support or votes, in both cases in terms of share capital, shall be taken into account and any expressions of support or votes cast for other slates shall not be taken into account. In all cases, the parties listed below may not file, contribute to filing or vote for a slate other than the slate filed by or voted by the shareholder who owns a controlling interest in the Company (in accordance with the definition of control set forth in Article 2359 of the Italian Civil Code. These parties are: (a) parties who own an interest equal to at least half the share capital of the shareholder who owns a controlling interest in the Company; (b) shareholders of the parties referred to in Letter (a) above; and (c) other companies or entities that control, are controlled by or are under the joint control of the parties referred to in Letters (a) and (b) above and their shareholders (in accordance with the abovementioned definition of control).
5. Individuals who already hold the maximum allowable number of posts in a management and control body, as determined in accordance with the applicable regulations, or who fail to meet the requirements of independence, professionalism and integrity required by the applicable statutes and by this Article, and who would otherwise be unfit for election or be required to resign under the applicable laws and regulations, may not be listed on a slate and, if elected, must forfeit their office. Statutory Auditors may be reelected at the end of their term of office.
6. Without prejudice to those instances in which a different deadline may be applicable pursuant to laws or regulations, the slates, signed by the filing shareholder or shareholders (who may appoint one of them as their proxy), must be filed at the Company's registered office at least 15 (fifteen) calendar days before the date of the Shareholders' Meeting's first calling and disclosure thereof shall be provided in the Notice of the Shareholders' Meeting. In order to provide evidence of the ownership of the voting rights corresponding to the number of shares needed to file slates of candidates, shareholders are required to file at the Company's registered office, concurrently with the slates, certifications issued by authorized intermediaries, in accordance with the applicable laws.
7. The following documents must be filed, together with the slates, at the Company's registered office within the abovementioned deadline: (i) information about the identity of the shareholders who are filing a slate and the total equity interest they hold; (ii) an affidavit from shareholders who do not

- own, individually or jointly, a controlling interest in or a relative majority of the Company's capital at-
testing that they are not parties to any relationship that would link them with the former, pursuant
to law and Section 4 above; (iii) *curricula vitae* providing detailed information about the personal
and professional background of each candidate, listing any management and control posts held at
any other companies; and (iv) statements by which the candidates accept the nomination and at-
test, under their own responsibility, that there are no issues that would make them incompatible or
unelectable or would cause them to be removed from office and that, as required by Section 5
above, they meet the requirements for election as Directors pursuant to law and these Bylaws.
8. If no slate has been filed by the deadline referred to in Section 6 above, or if just one slate or slate
presented by shareholders who are linked with each other, as described in the first and/or third sen-
tence of Section 4 above, the deadline for filing the slates set forth in Section 6 above shall be ex-
tended by 5 (five) days and the percentage referred to in Section 3 above shall be reduced by half.
 9. The candidates listed on the slates must meet the following professional requirements:
 - at least 1 (one) of the candidates for the post of Statutory Auditor and at least 1 (one) of the can-
didates for the post of Alternate Auditor must be listed in the Register of Certified Public Ac-
countants and must have exercised a statutory auditing function for at least 3 (three) years;
 - the remaining candidates, if they do not meet the requirements listed in the previous section, must
have at least three years' uninterrupted experience as:
 - managers of accounting or finance and control departments of publicly traded companies;
 - professionals or teachers at the university level in the fields of law, economics, finance or ener-
gy-related technologies and science;
 - managers of public agencies or public administrations in the energy field.
 10. Slates or individual nominations filed without complying with all of the provisions listed above shall
be treated as if they had never been filed.
 11. The vote cast by each shareholder shall be deemed to have been cast for the entire slate and, con-
sequently, for all of the candidates listed therein, in the order in which they appear, no changes, ad-
ditions or exclusions being allowed.
 12. The election of Statutory Auditors will be carried out in the following manner:
 - (a) 2 (two) Statutory Auditors and 2 (two) Alternates will be taken from the slate that received an
absolute majority of the votes cast (i.e., the favorable vote of shareholders representing more
than 50% of the share capital represented at the Shareholders' Meeting), in the order in which
they are listed on the corresponding sections of the slate;
 - (b) the third Statutory Auditor and Alternate shall be drawn, in the order in which they are listed on
the corresponding sections of the slate, from the slate that, among all of the slates other than
the slate referred to in Letter (a) above, received the highest number of votes and was filed or
voted by shareholders who are not linked in any way, directly or indirectly, with the sharehold-
ers who filed or voted for the slate that ranked first in terms of votes received.
 13. If the first two or more slates receive an equal number of votes, the Shareholders' Meeting shall
proceed with a runoff ballot, voting only for the abovementioned slates, it being understood that
the slate receiving the majority of the votes may be elected only if it receives the absolute ma-
jority of the votes cast (i.e., the favorable vote of shareholders representing more than 50% of
the share capital represented at the Shareholders' Meeting). The same runoff ballot rule shall ap-
ply if the same number of votes is cast for the slates referred to in Letter (b) of Section 12 above.
However, in this case, all of the shareholders who are attending the Shareholders' Meeting shall
participate in a new runoff vote held for these slates and one Statutory Auditor and one Alter-
nate shall be drawn from the slate that receives a relative majority of the votes (excluding ab-
staining shareholders from the count).
 14. The Statutory Auditor who is listed on the slate referred to in Letter (b) of Section 12 above shall
be elected Chairman of the Board of Statutory Auditors.
 15. Any Statutory Auditor who no longer meets the requirements of the applicable laws and these By-
laws shall be removed from his or her office.

16. The foregoing provisions shall not apply to the election of Statutory Auditors held on occasions other than the replacement of the entire Board of Statutory Auditors.
17. If a Statutory Auditor elected from the slate referred to in Letter (b) of Section 12 above should forfeit his/her office for any reason, the vacancy (including the post of Chairman of the Board of Statutory Auditors) shall be filled, until the next Shareholders' Meeting, by the Alternate elected from the same slate as the Statutory Auditor who is being replaced or, should no Alternate be available, by unelected candidates to the post of Statutory Auditor (or, as a secondary choice, Alternate) listed in the abovementioned slate in the consecutive order in which they are listed on the slate or, as a secondary choice, the candidates listed in the minority slate that received the second highest number of votes, in the consecutive order in which they are listed. The Shareholders' Meeting shall fill vacancies on the Board of Statutory Auditors and, should a Statutory Auditor elected from the slate referred to in Letter (b) of Section 12 above forfeit his/her office for any reason, the candidates put forth for the posts of Statutory Auditor or Alternate, in the consecutive numerical order in which they are listed on the slate, shall be, respectively, the candidates to the posts of Statutory Auditor or Alternate listed in the corresponding sections of the slate referred to in Letter (b) of Section 12 above or, should no such candidate be available, the candidates listed in the minority slate that received the second highest number of votes, in the consecutive order in which they are listed. The candidate who receives the highest number of favorable votes shall be elected. If no candidates are available to stand for election in the manner described above, the shareholders who alone or together with others represent in the aggregate a percentage of the share capital equal to at least the percentage referred to in Section 3 above - provided they are not (i) shareholders who originally filed or voted for the slate that received the highest number of votes; (ii) shareholders who own, individually or jointly, a controlling interest in or a relative majority of the Company's share capital; and (iii) shareholders who are linked in any way, directly or indirectly or for the purposes of the first and/or third sentence of Section 4 above, with one or more of the shareholders referred to in Items (i) and (ii) above - shall have the exclusive right to nominate candidates to replace the lapsed Statutory Auditor who was taken from the slate referred to in Letter (b) of Section 12 above. The replacement Statutory Auditor may be drawn exclusively from the candidates submitted by minority shareholders, in the manner described above, and the candidate who receives the highest number of votes will be elected. The newly elected minority Statutory Auditor shall serve as Chairman of the Board of Statutory Auditors. If the foregoing provisions of this Section cannot be applied, those of the Italian Civil Code will be followed and the Shareholders' Meeting shall approve resolutions with an absolute majority of the votes (i.e., with the favorable vote of shareholders representing more than 50% of the share capital represented at the Shareholders' Meeting). Only candidates who have made available or updated by the date of the Shareholders' Meeting the documents and certifications referred to in Section 7 above may be nominated.
18. If a majority Statutory Auditor should forfeit his/her office for any reason, he/she shall be replaced, until the next Shareholders' Meeting, by the first Alternate in the same slate. In such cases, the provisions of the Italian Civil Code will be followed and the Shareholders' Meeting shall approve resolutions with an absolute majority of the votes (i.e., with the favorable vote of shareholders representing more than 50% of the share capital represented at the Shareholders' Meeting). Only candidates who have made available or updated by the date of the Shareholders' Meeting the documents and certifications referred to in Section 7 above may be nominated.
19. If only one slate has been filed or if no slate has been filed, the provisions of the Italian Civil Code will be followed and the Shareholders' Meeting shall approve resolutions with an absolute majority of the votes (i.e., with the favorable vote of shareholders representing more than 50% of the share capital represented at the Shareholders' Meeting). The provisions of the last paragraph of Section 17 shall also apply. In such cases, if, pursuant to law, the Shareholders' Meeting is required to elect Statutory Auditors and/or Alternates and the Chairman of the Board of Statutory Auditors to fill vacancies on the Board of Statutory Auditors, the provisions of the Italian Civil Code will be followed and the Shareholders' Meeting shall approve resolutions with an absolute

majority of the votes (i.e., with the favorable vote of shareholders representing more than 50% of the share capital represented at the Shareholders' Meeting). The provisions of the last paragraph of Section 17 shall also apply.

20. The Board of Statutory Auditors is required to meet at least once every 90 (ninety) days.
21. Meetings of the Board of Statutory Auditors may be held via teleconferencing or videoconferencing, provided all participants can be identified and are able to follow the proceedings, participate in real time in the discussion of the items on the Agenda and receive, transmit and review documents. If these requirements are met, the meeting of the Board of Statutory Auditors is deemed to have been held at the place where both the chairman of the meeting and the person drawing up the minutes are located.

SHAREHOLDERS' MEETING

EXCERPT FROM THE BYLAWS

Article 9 - Notice of Shareholders' Meeting

1. Without prejudice to the rights of other parties to convene Shareholders' Meetings pursuant to specific provisions of the law, Ordinary and Extraordinary Shareholders' Meetings are convened by the Board of Directors.
2. Shareholders' Meetings are convened by means of a notice published in the Official Gazette of the Italian Republic and in one of the following two newspapers: *Il Sole 24 Ore* or *Corriere della Sera*.
3. The Shareholders' Meeting may take place anywhere in Italy, including outside the municipality where the Company's registered office is located.
4. The Notice of Shareholders' Meeting may provide the date of the Meeting's second calling and, if an Extraordinary Shareholders' Meeting is being convened, that of a third calling, if a voting stock quorum is not reached on the first or second calling. If such information is not provided, the Shareholders' Meeting must be convened on the second and/or third calling within 30 (thirty) days from the first or second calling, respectively, and the advance period for the publication of the Notice may be shortened to 8 (eight) days. No further calling is allowed beyond the second calling for Ordinary Shareholders' Meetings and the third calling for Extraordinary Shareholders' Meetings.

Article 10 - Attendance and Representation at Shareholders' Meetings

1. As required by the applicable statutes, only holders of voting shares who have proven their rights by producing an attestation, issued by an intermediary authorized to maintain books of accounts, that their shares were deposited in dematerialized form with the centralized clearing system at least 2 (two) business days prior to the Shareholders' Meeting and filing the attestation with the Company accordingly, pursuant to law, will be allowed to attend the Shareholders' Meeting.
2. The right to be represented at the Shareholders' Meeting is governed by the applicable statutes.

Article 11 - Convening a Shareholders' Meeting and Requirements for Adopting Valid Resolutions

1. At Ordinary Shareholders' Meetings held on the first or second calling, resolutions may be adopted by a favorable vote of shareholders accounting for more than half of the share capital represented at the Meeting and for at least half of the Company's common shares, with the following exceptions: (i) at an Ordinary Shareholders' Meeting held on the second calling to approve the Annual Report or to elect or dismiss corporate officers and which was duly convened irrespective of the percentage of the Company's share capital held by the attending shareholders, resolutions may be adopted with the favorable vote of shareholders accounting for more than half of the Company's share capital represented at the Meeting; (ii) the election of Directors must be conducted according to the provisions of Article 14 of these Bylaws and (iii) the election of Statutory Auditors must be conducted according to the provisions of Article 22 of these Bylaws.
2. An Extraordinary Shareholders' Meeting shall be deemed to have been duly convened on the first, second or third calling if it is attended by shareholders representing more than half of the Company's common shares, and resolutions may be adopted by a favorable vote of shareholders holding at least two-thirds of the share capital represented at the Meeting.
3. All statutory provisions that require larger quorums shall continue to apply.

Milan, February 11, 2009

The Board of Directors
by Giuliano Zuccoli
Chairman

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