

ANNEX C) to Vol. No. 108913 and File No. 20752

ARTICLES OF ASSOCIATION

"Veneziana Energia Risorse Idriche Territorio Ambiente Servizi -
V.E.R.I.T.A.S. S.p.A."

BUSINESS NAME - CORPORATE PURPOSE - REGISTERED OFFICES - DURATION

ARTICLE 1

Business name

An Italian joint-stock company has been formed, known as

"Veneziana Energia Risorse Idriche Territorio Ambiente Servizi
V.E.R.I.T.A.S. S.p.A.".

The company is a public concern pursuant to and for the purposes of Article 113.5, letter c of the consolidation act of the laws on the regulatory system of local authorities No. 267 dated 18 August 2000.

The Company **maintains** the pre-existing rights and obligations and has taken over the asset and liability transactions of the Companies **from which it derives**.

ARTICLE 2

Corporate purpose

2.1 The Company's corporate purpose involves the performance of the following activities:

with regard to environment aspects:

a) *the services relating to the integrated management of waste and the environment:*

a1) collection, conferral, sweeping, transportation - also on behalf of third parties -, treatment, storage, deposit in landfills,

disposal of solid municipal waste (hazardous and non-hazardous), special waste (hazardous and non-hazardous) or that falling in any other waste category envisaged by current legislation, as well as the construction and running of the related plants including those for treatment, disposal and heat destruction;

a2) the services relating to separate waste collection and recovery, reuse and recycling of any material, as well as the handling of packaging, packaging waste in general and any other durable, as well as the construction and running of the related plants;

a3) services for the production and marketing of compost (by means of the transformation of waste and sludge from non-industrial treatment and of any other organic material, also agro-industrial in origin or deriving from the maintenance of public parks and the like) and WDF (waste-derived fuel) as well as services for the treatment, development and marketing of materials deriving from recovery, recycling and re-utilisation procedures;

a4) services complementary to those for the management of the waste, associated with or linked to problems regarding the protection and safeguarding of environmental and sanitary services;

b) the service for the laying of trestle walkways during extraordinary high tide events and other services inherent to the protection and conservation of the area and the transport system in relation to particular atmospheric and natural calamity conditions;

- c) *the street sweeping and cleaning service, that for the watering and cleaning of the streets, squares and public and private areas;*
- d) *the municipal maintenance works and services associated with hygiene and the protection of the area (such as the integral management of public parks, gardens and open spaces, hothouses and nurseries, tree plantations, grass cutting, etc.), including the extraordinary or improvement maintenance services;*
- e) *the management of the public cleaning services (schools, municipal offices, legal venues, sporting facilities, museums, etc.);*
- f) *the management of sanitary installations;*
- g) *the handling of environmental and territorial reclamation activities;*
- h) *the handling of environmental and territorial monitoring activities;*
- i) *the management of the services for the treatment of sludge deriving from dragging of lagoon canals and the like or from plants of any kind or associated with the same;*
- j) *the management of public weighbridge services;*
- k) *the service for the cleaning and collection, transportation and disposal of waste from the lagoon canals, etc;*
- l) *transportation on own account and/or on behalf of third parties.*

with regard to integrated water resource aspects:

- a) *the management of the integrated water service;*
- b) *the management of works, plants and mains for the collection, intake, treatment and distribution of drinking and industrial water,*

both from the water table and the surface areas;

c) the management of sewage works, plants and mains for the collection, conveyance and treatment of non-industrial, domestic, industrial and municipal waste water;

d) the flushing service for the primary treatment plants of the municipal and industrial waste;

e) the service for the treatment of the non-industrial, domestic and industrial waste outside sewers;

f) the production and marketing of bottled water;

g) the design, planning and execution and management of works, plants and mains pertaining to the integrated water service, including therein the ordinary and extraordinary maintenance as well as the redevelopment measures and the municipal networks of fire-fighting systems and water hydrants;

h) the management of all the public services associated with the integrated water service;

i) the performance and marketing of services associated with the management of the water services such as the laboratory, engineering, environmental consulting, management consulting and legal advisory services.

with regard to energy services:

a) procurement, production, distribution and sale of gas;

b) purchase, generation, transmission, distribution and sale of electricity, however produced either directly or by third parties;

c) services for the generation of energy from renewable sources (solar energy, thermal energy, wind energy, electricity, energy deriving from the transformation of waste, materials or similar recovered, etc.), the management and maintenance of the related supply mains including the generation plants, venues and logistics equipment;

d) production, distribution and management of heat;

e) construction, maintenance and management of the public lighting system and traffic lights;

f) creation and management of technological installations for the accomplishment of the gas, lighting and heat services.

with regard to sundry services:

a) integrated management of cemetery services, funeral transportation, cemetery and tomb lighting, cremation services and undertaking services;

b) management of the markets, including therein the wholesale and retail markets, as well as agricultural and food and procurement markets;

c) the management of trade fairs, exhibitions and similar activities;

d) workshop activities for ordinary and extraordinary repairs and maintenance, of company vehicles and also on behalf of third parties;

e) computerised and on-line services;

f) consulting activities for the drafting and management of service contracts;

g) the management, maintenance, individual and/or integrated so-called - global service - for public and private buildings including the activities for controlling and checking the internal installations (after the meter) for the purpose of ensuring full efficiency and reliability of the same;

h) supply of goods and services to private parties, companies and public bodies by means of the telephone, data transmission and in general telecommunications networks or in any event with the use of screen-based and on-line technologies in general; as well as intermediation in the supply of goods and services using the same technological instruments;

i) installation, maintenance, assistance and repair of products and services supplied to customers within the sphere of the activities directly or indirectly carried out by the company;

j) management under franchise or other commercial forms - licence, sales contracts, concession, joint ventures and similar - for the sale of the services and products inherent to the activities covered by the corporate purposes, such as by way of example but not limited to, gas, telecommunications, energy, insurance, contact centres, etc..., as well as the acquisition and disposal of under ownership and use of industrial patent and intellectual property rights, relating to trademarks, inventions, software and similar;

k) asset management and administration (real estate and movable assets) also on behalf of third parties, municipal and/or provincial administration authorities, healthcare facilities, LHAs, associations,

hotels, private parties, etc. excluding the stockbroking activities as per Italian Law No. 1 dated 2 January 1991;

l) construction and management of sporting and recreational facilities, surface and underground car parks, multi-storey car parks, bus and coach stations, refrigerating structures etc., supporting the areas for the development and evolution of the same, directly and/or indirectly also via project finance transactions;

m) the purchase and management of properties - equipment and technologies - to be used also for sporting and recreational activities, the well-being of the city and the citizens, cultural, entertainment activities, for the processing of fruit/vegetable and fish products and subsequent packaging, as well as public services of tourist interest, as well as the organisation and management, direct and/or indirect, of training courses, strategic and operative marketing action, integrated and computerised communication, promotion, planning and programming related;

n) the management on behalf of third parties, and in particular for the associated, investee and subsidiary companies, of the support activities such as by way of example but not limited to: communication - image development and marketing, client management, contact-call centres; organisation of information and IT systems, safety and energy management; asset and project management; general administration - accounting, management, HR control, etc.;

o) performance of cleaning, management and maintenance activities for vehicles and equipment on behalf of third parties;

p) design, planning and management, in collaboration with the relevant authorities, of video surveillance activities in the area;

q) provision, directly or via special companies, of services of general and specific interest, as laid down by current provisions, relating to port operations and/or on agricultural - fish food markets, supporting - where necessary - and using the forms envisaged by law, the technical - administrative bodies appointed to achieve and run the port and market structures and infrastructures;

r) performance, directly or via special companies, of the control on the internal installations - sanitary, heating, electrical, air conditioning, etc. - with possible issue of specific certificates of compliance both with regard to public buildings and with regard to private buildings and communities;

s) management of activities more appropriately known as "services" for the local public authorities, these also being understood to be phases of activities addressing the general public indirectly and indiscriminately, such as for example and not limited to, the management of state-owned concessions, the management of vehicle entrances, tickets for accessing the city.

2.2 The Company's purpose in any event involves the design, planning, construction and execution as well as management of the works, installations or mains relating to the services and activities indicated above.

2.3 The Company carries out the administrative management activities relating to the services as per this article, including therein the

activities for the assessment, settlement and collection, including forced, of the amounts due in relation to the services provided, including out-of-court credit assessment and collection, and mail delivery services.

2.4 The Company carries out, directly and indirectly, all the activities falling within the corporate purpose and all the activities complementary, associated, connected, instrumental, collateral and accessory to the services as per this article, including therein the production and marketing activities, as well as those concerning technical and administrative and management, environmental and legal consulting, as well as private law activities useful for its purposes.

2.5 The Company undertakes or disposes of, directly and indirectly, equity investments and shareholdings in companies, businesses, consortiums, associations and in any event corporate entities which have the same, similar, complementary, accessory, instrumental purposes or aims as its own, as well as establishes and/or winds up said parties.

2.6 The Company carries out all the commercial, industrial and financial transactions, as well as those concerning stocks, shares and real estate property, which are pertinent to the corporate purpose.

2.7 The Company may also provide guarantees, sureties and loans to third parties.

2.8 The implementation of the corporate purpose shall in any event have to be carried out in complete observance and within the limits laid down by Italian Law No. 197 dated 5 July 1991 and subsequent amendments and

additions. The attraction of savings from the general public in any form is excluded, in observance of Italian Legislative Decree No. 385 dated 1 September 1993 and subsequent amendments and additions.

2.9 The Company achieves over eighty percent of its turnover in carrying out the tasks entrusted to it by the shareholder public bodies, even indirectly. The further production with respect to the abovementioned turnover limit allows the company to achieve economies of scale or other efficiency gains on the whole of the company's main activity.

ARTICLE 3

Registered offices

3.1 The Company's registered offices are in the Municipality of Venice.

3.2 In order to achieve the corporate purpose in accordance with the law, the Board of Directors may establish offices, branches, secondary offices, agencies and representative offices, as well as transfer the same or close them down, if appropriate.

3.3 The domicile of the shareholders, the directors, the statutory auditors and the accounts auditor, in relation to their dealings with the company, is that which emerges from the corporate books.

ARTICLE 4

Duration

4.1 The duration of the Company is established until 31 December 2050.

SHARE CAPITAL - SHARES - TRANSFER

OF SHARES

ARTICLE 5

Share capital

5.1 The share capital amounts to Euro 145,397,150.00 (one hundred and forty-five million, three hundred and ninety-seven thousand, one hundred and fifty) divided up in 2,907,943 (two million, nine hundred and seven thousand, nine hundred and forty-three) ordinary shares with a par value of Euro 50.00 (fifty) each.

The shares can be transferred in observance of current legislation regarding local public services and the matters indicated in Article 8 below.

5.2 The share capital can be increased at any time, also by means of the conferral of amounts receivable and assets in kind, as resolved by the shareholders' meeting and also with the issue of shares with rights differing from those of the shares already issued.

5.3 In the event of a share capital increase, the options on the new shares being issued will be reserved for those entitled in proportion to the shares held as of the date of resolution of the increase, subject to the exceptions permitted by the law.

5.4 In all cases of transfer of shares for any reason, also free-of-charge, in full or in part, to local authorities which are shareholders or third parties, in any event in observance of the matters envisaged by Article 8, and the current provisions of the law, the shareholders shall be due to pre-emption right to be exercised in accordance with the following terms.

In the event the Shareholder who intends to transfer to the Local authority shareholders, or third parties, - in full or in part, for any purpose, including free-of-charge - their shares or the purchase options on the shares being issued in the event of a share capital increase, shall have to - in advance and by means of registered letter with advice of receipt addressed to the Chairman of the Board of Directors - communicate the offer to the other shareholders, specifying the name of the Local authority and/or Local authorities, also third party/parties, willing to acquire the same and the sale conditions and if the pre-emption can also be exercised for just part of the securities. The Chairman of the Board of Directors shall take steps to inform all the shareholders of the same within 10 days of receipt.

The shareholders who intend to exercise the pre-emption right, within 20 days of receipt of the communication as per the previous point, shall - via registered letter with advice of receipt addressed to the Chairman of the Board of Directors - have to manifest their unconditional desire to acquire, in full or in part, the shares or the purchase options offered for sale. Within 10 days of receipt, the Chairman of the Board of Directors shall take steps to inform the offeror and all the shareholders, by means of registered letter with advice of receipt, of the purchase proposals received.

In the event that the offer is accepted by several shareholders, the shares or the purchase options offered for sale shall be distributed to the same in proportion to the respective investment in the Company's share capital.

5.5 By way of departure to the matters envisaged above, the transfer of shares is permitted in favour of Local Authorities who are not shareholders belonging to the same Optimum Area of Operations "Ambito Territoriale Ottimale", subject to the resolution of the shareholders' meeting.

ARTICLE 6

Shares

6.1 Each share is indivisible and gives the right to one vote. The shares are represented by share-based securities. In the event of the issue of preference shares at the time of share capital increases or assignment of shares with dividend rights, the shareholders' meeting which resolves the same may limit the exercise of the right to vote by the holders of said shares.

6.2 In the event of joint-ownership, the provisions of Article 2347 of the Italian Civil Code are observed.

6.3 The shares are name registered.

ARTICLE 7

Assigned assets

7.1 The company can establish assets assigned to specific business affairs in accordance with Article 2447 *bis et seq.* of the Italian Civil Code.

7.2 The constituent resolution is adopted by the Board of Directors in accordance with Article 28 of these Articles of Association.

ARTICLE 8

Public investment

8.1 The share capital shall have to be entirely public and held absolutely by Local Authorities.

8.2 Any transfer of shares suitable for causing the cessation of the totality of the public share capital shall be considered ineffective vis-à-vis the company and the registration in the shareholders' register of any transfer of shares made in violation of the provisions as per section 1 above is in fact prohibited.

ARTICLE 9

Withdrawal

9.1 The right to withdraw is due to the shareholders in all the cases envisaged by the law and by these Articles of Association.

ARTICLE 10

Management and co-ordination activities

10.1 The Company must indicate if it is subject to the management and co-ordination activities of others in the documents and the correspondence, as well as by means of registration, carried out by the directors, in the section of the Companies' Register as per Article 2497 *bis*, paragraph 2 of the Italian Civil Code.

GENERAL SHAREHOLDERS' MEETINGS

ARTICLE 11

Responsibilities of the ordinary shareholders' meeting

11.1 The ordinary shareholders' meeting resolves on the matters reserved for the same by the law or these Articles of Association.

In detail, ordinary shareholders' meetings may approve any regulations for the work of the general meetings.

11.2 The following are without fail reserved for the responsibility of the ordinary shareholders' meeting without prejudice to the matters

envisaged by Article 2449 of the Italian Civil Code and Article 50, paragraph 8 of Italian Legislative Decree No. 267/2000:

- a) approval of the financial statements;
- b) the appointment and removal of the directors, the Chairman and the Deputy Chairman, the appointment of the statutory auditors and the chairman of the board of statutory auditors and the party who is entrusted with the accounts audit;
- c) the determination of the fee for the directors and statutory auditors, if not established by the Articles of Association;
- d) the resolution of the liability of the directors and the statutory auditors.

11.3 The following matters are without fail submitted for the prior approval of the ordinary shareholders' meeting by the Board of Directors:

- a) the granting of authorisations and/or powers, different to those referring to an individual deed, to one or more members of the Board of Directors including therein the Chairman, the Deputy Chairman, the Chief Executive Officer;
- b) essential approval and review of the Financial Plans and/or Investment Programmes and/or Business Development Plans drawn up by the Board of Directors;
- c) essential approval and review of the group regulations, if adopted;
- d) establishment of assets assigned to specific business affairs as per Article 7 of these Articles of Association;
- e) purchase and sale of strategic corporate equity investments, which

- are not already envisaged in the Business Development Plan approved;
- f) issue of sureties, pledges and/or other secured guarantees for amounts greater than Euro 15,000,000.00;
 - g) purchase and sale of businesses or strategic business segments which are not already envisaged in the Business Development Plan approved;
 - h) the Company's organisational set-up;
 - i) bond issues.
 - l) dividend distribution.

ARTICLE 12

Responsibilities of the extraordinary shareholders' meeting

12.1 The following are the responsibility of the extraordinary shareholders' meeting:

- a) amendments to the Article of Association;
- b) the appointment, replacement and establishment of the powers of the liquidators;
- c) the other matters assigned to it by the law and by these Articles of Association.

ARTICLE 13

Calling of shareholders' meetings

13.1 Shareholders' meetings are called at least once a year within 120 (one hundred and twenty) days of the end of the accounting period or within 180 (one hundred and eighty) days, if the company is obliged to draw up consolidated financial statements or particular needs relating to the structure and purpose of the company require as such.

13.2 Shareholders' meetings may also be called outside the Municipality where the registered offices are located, provided the location is in Italy.

13.3 In the event of the impossibility of all the directors or their inactivity, the meeting may be called by the board of statutory auditors or by means of the order of the Court upon the request of a number of shareholders representing at least one tenth of the share capital.

13.4 The notice of calling must indicate:

- a) the location where the meeting is held as well as the locations possibly linked up to the same via telecommunications;
- b) the business on the agenda;
- c) the other mentions possibly required by law.

13.5 Meetings are called by means of notice sent to the shareholders via registered letter with advice of receipt, or via fax message or another instrument suitable for ensuring proof of receipt, to the address emerging from the Shareholders' Register, at least 8 (eight) days before the meeting.

13.6 Meetings will however be valid and able to resolve (quorate), even if not called in accordance with the formalities indicated above, if the entire share capital and the majority of the members of the management body and the members of the audit body are present or represented.

In such cases, each of the participants may oppose the discussion and voting on any business which they deem they have not been sufficiently

informed of.

13.7 In the event as per the previous point, prompt communication of the resolutions adopted must be made to the members of the management and audit bodies not present.

ARTICLE 14

General shareholders' meetings in second calling

14.1 A date for second calling can be envisaged in the notice of calling, when the previous meeting has not met quorum requirements. This second calling cannot take place on the same day fixed for the first.

ARTICLE 15

Ordinary shareholders' meeting: establishment of the quorum

15.1 Ordinary meetings held in first calling satisfy quorum requirements with the intervention of a number of shareholders representing at least half the share capital.

The current provisions are observed for second calling.

15.2 Ordinary meetings in first and second calling resolve with the favourable vote of the absolute majority of the share capital represented.

Each decision and resolution regarding the public service which the Local authority shareholder is responsible for must be adopted, in observance of the aforementioned majority, also with the favourable vote of the Local authority concerned.

However, resolutions which waive or come to a compromise on the action falling under the responsibility of the directors are not understood as

approved, if the contrary vote of at least a fifth of the share capital is ascertained.

15.3 The resolutions concerning the matters listed in the previous article 11.3 and the following article 25.3 are validly approved with the favourable vote of at least 75% of the share capital represented during the meeting.

ARTICLE 16

Extraordinary shareholders' meetings: establishment of the quorum

16.1 Extraordinary meetings in first calling satisfy quorum requirements and resolve with the favourable vote of at least two third of the share capital. Each decision regarding the public service which the Local authority shareholder is responsible for must be adopted, in observance of the aforementioned majority, also with the favourable vote of the Local authority concerned.

16.2 In second calling, extraordinary meetings meet quorum requirements with the intervention of a number of shareholders representing at least one third of the share capital and resolve with the favourable vote of at least two thirds of the share capital represented during the meeting. Each decision regarding the public service which the Local authority shareholder is responsible for must be adopted, in observance of the aforementioned majority, also with the favourable vote of the Local authority concerned.

16.3 However, the favourable vote of a number of shareholders representing more than 75% of the share capital is in any event required also in second calling for the resolutions pertaining to:

a) the change of the corporate purpose;

- b) the transformation of the company;
- c) early winding-up;
- d) the extension of the duration;
- e) the revocation of the state of liquidation;
- f) the transfer of the registered offices and/or the opening, transfer and closing down of the area management headquarters;
- g) the issue of preference shares.

16.4 The resolutions of the extraordinary shareholders' meeting concerning the amendment of Articles 8, 16 and 25 of these Articles of Association shall be validly adopted with the favourable vote of at least 75% (seventy-five percent) of the share capital.

16.5 The introduction and cancellation of arbitration clauses must be approved with the favourable vote of a number of shareholders representing at least two third of the share capital. Absent shareholders or those not in agreement may, within the following 90 (ninety) days, exercise the right to withdraw.

ARTICLE 17

Regulations for the calculation of the quorums

17.1 When calculating the establishment quorum, the share capital represented by shares lacking the right to vote is not considered.

17.2 All the shareholders who at the moment of checking the establishment quorum are identified by the Chairman and are enrolled in the shareholders' register at least five days before the date of calling of the meeting, are considered to be present.

17.4 The shares for which the right to vote cannot be exercised are

calculated for the purposes of the due establishment of the meeting; the same shares, subject to any differing provision of the law, and those for which the right to vote is not exercised further to the declaration of the shareholder that they abstain due to conflict of interests, is not calculated for the purposes of the majorities necessary for approval of the resolution.

ARTICLE 18

Postponement of general meetings

18.1 The shareholders present which represent a third of the share capital have the right to obtain the postponement of the meeting by no more than 5 (five) days, if they declare they are not sufficiently informed on the business on the agenda.

18.2 The postponement may be granted just once on the same matter.

ARTICLE 19

Right to take part in general meetings and to vote

19.1 Shareholders who are due the right to vote may take part in general meetings.

19.2 Shareholders enrolled in the shareholders' register at least five days before the date of calling of the meeting have the right to vote, with regard to any method by which the vote is expressed, to an extent:

- a) not greater than the value of their investment and the amount of the entitling securities as emerging from the shareholders' register;
- b) no lower than the limits as per the previous letter, subject to the

matters established in the last section of this article.

19.3 The shareholders who cannot exercise the right to vote in any event have the right to be called.

ARTICLE 20

Representation of the shareholders during meetings: the proxies

20.1 The shareholders can take part in the meetings by means of proxies. They must demonstrate their right by means of written document. The company files the proxy document with the corporate deeds.

20.2 The proxy document may also be issued for several meetings; it cannot be issued with the name of the proxy left blank and can always be revoked, despite any contrary agreement. The representatives may arrange for themselves to be replaced only by whomever is expressly indicated in the proxy.

20.3 If the shareholder had granted the proxy to a legal entity, the legal representative of the same represents the shareholder in general meetings. Alternatively, the legal entity may delegate one of its employees or collaborators, even if this is not expressly envisaged by the proxy.

20.4 The same person may not represent more than 20 (twenty) shareholders.

20.5 The proxies may not be issued to employees, members of the audit or management bodies of the company.

20.6 The proxies may not be issued to employees, members of the audit and management bodies of the subsidiary companies.

ARTICLE 21

Chairman and secretary to the meeting. Minute-taking

21.1 The meeting is chaired by the Chairman of the Board of Directors or in the event of his absence or unavailability, by the Deputy Chairman or, in the absence of the latter as well, by the individual appointed by those present.

21.2 The meeting appoints a secretary who does not necessarily have to be a shareholder and if necessary one or more scrutineers, not necessarily shareholders. The presence of a secretary is not required in the event the minutes are drawn up by a Notary Public.

21.3 The Chairman of the Meeting is responsible for ascertaining the quorum of the same, establishing the identity and right of those present to attend, direct and regulate the work of the meeting and check and announce the voting results.

21.4 With regard to the discipline of the work of the meeting, the order of the presentations, the methods for dealing with business in the agenda, the Chairman has the power to propose the procedures which may however be changed with the vote of the absolute majority of those with the right to vote.

21.5 The minutes of the meeting must be drawn up without delay, within the timescales necessary for the prompt execution of the filing and publication obligations, and must be signed by the Chairman, the secretary or the Notary Public.

ARTICLE 22

Course of the meetings: execution of the work

22.1 Meetings must take place in accordance with formalities such that all those which have the right to take part in the same may gain awareness in real time of the events, freely form their opinion and freely and promptly express their vote. The methods for the execution of the meeting cannot contrast with the needs for a correct and complete minute-taking of the work.

22.2 Meetings can also take place in several locations, neighbouring or distant, audio/video linked up, as per the formalities which must be acknowledged in the minutes, provided that the collective method is observed along with the principles of good faith and equal treatment of the shareholders.

ARTICLE 23

Voting formalities

23.1 Secret balloting is not permitted. A vote not attributable to a shareholder is an unexpressed vote.

ARTICLE 24

Cancellation of shareholders' meeting resolutions

24.1 The provisions of the law are valid for the cancellation of shareholders' meeting resolutions.

MANAGEMENT - REPRESENTATION

ARTICLE 25

Board of Directors

25.1 The Company is managed by a Board of Directors made up of 5 (five)

to 9 (nine) members also chosen from among those who are not shareholders. They remain in office for three accounting periods and can be reappointed. The members of the Board of Directors must be appointed in compliance with the provisions on gender representation.

25.2 The fall from office of the directors due to expiry of the term is effective from the moment when the new management body has been re-established.

25.3 The determination of the number of members of the Board of Directors is resolved by the ordinary shareholders' meeting with the majorities indicated in the previous article 16.4, according to specific terms agreed between Local authority shareholders.

25.4 The number of directors can be increased by means of resolution of the shareholders' meeting with the majorities indicated in the previous article 16.4, in observance of the maximum limits as per the previous article 25.1, also during the duration of the office of the Board of Directors; the directors appointed in this venue fall from office together with those in office at the time of their appointment.

25.5 The decisions of the Board of Directors can be adopted by means of written consultation, or on the basis of consent expressed in writing, The written consultation procedure, or acquisition of consent expressed in writing, is defined by means of specific regulations approved by the Board of Directors which in any event ensures each director the right to

take part in the decision and all those entitled to receive adequate information. The decision is in any event adopted by means of approval in writing of the sole document or several documents which contain the same text of the decision by the majority of the directors.

The procedure must in any event conclude within 15 (fifteen) days of its commencement or by another deadline indicated in the text of the decision.

ARTICLE 26

Appointment of the Board of Directors

26.1 As per Article 2449 of the Italian Civil Code, without prejudice to the responsibilities of the Statutory

Auditors as per Article 50, paragraph 8 of Italian Legislative Decree No. 267/2000, the Local authority shareholders are reserved the right to appoint the members of the Board of Directors, including therein the Chairman, the Deputy Chairman, the Chief Executive Officer, according to the specific terms agreed between the same Local authority shareholders.

ARTICLE 27

Additional terms for the appointment of the Board of Directors

27.1 If, due to resignation or for any other cause, the majority of the directors fall from office, the entire Board of Directors is understood to have fallen.

ARTICLE 28

Calling and resolutions of the Board

28.1 The Board of Directors is called, at least quarterly and each time

the Chairman deems it necessary.

28.2 The Board must also be called when request is made by at least a third of its members, who indicate in writing the business to be dealt with.

28.3 Calling must be made by means of registered letter, fax message, telegram or e-mail or another means in any event suitable for ensuring proof of receipt, containing indication of the business to be discussed, to be sent at least 3 (three) days before the meeting to each director and acting auditor and, in urgent cases, by means of telegram, fax message e-mail or another means in any event suitable for ensuring proof of receipt, to be sent at least 1 (one) day in advance.

28.4 Board meetings and their resolutions are valid, also without formal calling, when all the directors in office and the acting auditors take part.

28.5 It meets c/o the registered offices, or elsewhere provided the location is in Italy.

28.6 Board meetings may take place also by means of audio or video conference, and thus under the following conditions, which must be acknowledged in the related minutes:

1. that the Chairman and the secretary of the meeting, if appointed,

are present in the same place, taking steps to draw up and sign the minutes;

2. that the Chairman of the meeting is permitted to ascertain the identity and right of those present to take part, discipline the business of the meeting, ascertain and announce the voting results;

3. that the minute-taker is permitted to adequately perceive the events of the meeting being recorded in the minutes;

4. that those taking part are permitted to participate in the discussion and simultaneous voting on the business on the agenda, as well as view, receive and forward documents;

5. that the locations audio/video-linked up by the company are indicated on the notice of calling - unless the meetings are plenary -, where those taking part can go, the meeting having to be deemed as held in the location where the Chairman and the minute-taker are present.

28.7 With regard to the validity of the resolutions of the Board of Directors, the effective presence of the majority of its members in office is required. The resolutions are adopted by a majority of the votes of those present. In the event equal votes are cast, the Chairman's vote shall prevail.

28.8 The Board of Directors resolves with the favourable vote of at least three quarters, if necessary rounded up, of the members in office with regard to the:

1) appointment and/or removal of the Chief Executive Officer, without

prejudice to the matters envisaged by the previous article 11.3, and/or the General Manager/Managers;

2) determination of the powers delegated to the Chief Executive Officer and/or to the General Manager/Managers and their amendments.

The decisions of the directors must be recorded without delay in the book of the meetings and resolutions of the Board of Directors. The related documentation is kept by the company.

28.9 Abstaining Directors or those who have been declared as in conflict of interests are not calculated for the purpose of reckoning the majority.

28.10 The Board may appoint a secretary, chosen also from individuals outside the Board.

ARTICLE 29

Powers of the Board of Directors

29.1 The Board of Directors is vested with the powers for the management of the company to be exercised within the sphere of the policies and objectives expressed by the Public Authority shareholders in the specific resolutions adopted, and has the faculty to carry out all the acts it deems appropriate for the achievement and implementation of the corporate purposes, excluding those which the law or the Articles of Association reserve on a peremptory basis for the shareholders' meeting.

The powers of administration of the company are attributable to the directors acting jointly.

29.2 The Board of Directors may delegate, even partially, their powers

to one or more Board Directors subject to authorisation of the shareholders' meeting.

In this event, the Board of Directors may resolve special fees and particular remuneration, both at the time of granting of the appointment and subsequently, having consulted however the Board of Statutory Auditors in any event, all of which pursuant to Article 2389 of the Italian Civil Code.

An appointment does not exclude the others and the Board determines the extension thereof.

29.3 It may also resolve the appointment, outside its members, of special legal representatives for individual business affairs or for categories of affairs, specifying the powers and remuneration.

29.4 Without prejudice to the matters envisaged by the previous article 11.3, the resolutions on the following matters remain the exclusive responsibility of the Board of Directors, besides those which cannot be delegated by law and those for which as per article 28 a qualified majority is envisaged:

- 1) undertaking and disposal of equity investments;
- 2) purchase and/or sale of real estate property assets for a value of more than Euro 2,000,000.00 (two million);
- 3) the issue of sureties, pledges and/or other secured guarantees for a value of more than Euro 2,000,000.00 (two million);
- 4) purchase and/or sale of businesses and/or business segments;
- 5) designation of the board directors of the subsidiary and/or investee companies;

6) definition and implementation of the strategic and management policy of the company.

29.5 On an urgent basis, the Chairman of the Board of Directors and the Chief Executive Officer may jointly adopt all the resolutions reserved for the Board of Directors, promptly communicating the same to said Board.

29.6 The resolutions as per Article 11.3 shall have to be submitted by the Board of Directors to the Shareholders' meeting and authorised in advance by the same with the majorities envisaged by Article 15.3 above.

29.7 The Chairman of the Board of Directors or the Chief Executive Officer reports quarterly to the Local Authority shareholders on the general trend in operations and the business outlook, as well as on the operations of greatest significance, due to their size or features, carried out by the company and its subsidiaries.

ARTICLE 30

Corporate representation

30.1 The Chairman of the Board of Directors is assigned the legal representation of the company in dealings with third parties, also before the legal authorities.

30.2 In the event of his absence or unavailability, the Deputy Chairman is assigned representation.

30.3 By means of the resolution of the Board of Directors, the representation of the company may be assigned also to the Directors,

within the limits of the proxies and functions assigned.

ARTICLE 31

Remuneration of the directors

31.1 The members of the Board of Directors are due the reimbursement of the expenses incurred for the purposes of their office and a fee established by the shareholders' meeting at the time of appointment.

BOARD OF STATUTORY AUDITORS – ACCOUNTS AUDITOR

ARTICLE 32

Board of Statutory Auditors

32.1 The Board of Statutory Auditors oversees the observance of the law and the Articles of Association, the observance of the principles of correct management and in particular the adequacy of the organisational, administrative and accounting set-up adopted by the company and its effective functioning.

32.2 The Board of Statutory Auditors is made up of three acting auditors and two alternate auditors, who remain in office until the date of the shareholders' meeting called for the approval of the financial statements relating to the third year in office. The fall of the auditors from office due to expiry of the term is effective as from the moment the Board has been re-established.

Shareholders' meetings, as per article 33 below, appoint the Statutory auditors and the Chairman of the Board of Statutory Auditors.

The members of the Board of Statutory Auditors must be appointed in compliance with the provisions on gender representation.

32.3 For the entire duration of their office, the auditors must possess

the requisites as per Article 2399 of the Italian Civil Code. The loss of these requisites leads to the immediate fall from office of the auditor and his/her replacement by means of the most senior auditor.

32.4 The Board of Statutory Auditors meets at least every 90 (ninety) days upon the initiative of any one of the auditors. It meets quorum requirements with the presence of the majority of the auditors and resolves with the favourable vote of the absolute majority of the auditors.

32.5 Meetings may be held also with the aid of telecommunications mediums, in observance of the formalities as per Article 28.6 of these Articles of Association.

ARTICLE 33

Appointment of the Board of Statutory Auditors

33.1 The Local Authority shareholders are reserved the right, as per Article 2449 of the Italian Civil Code without prejudice to the responsibilities of the Statutory Auditors as per Article 50, paragraph 8 of Italian Legislative Decree No. 267/2000, the appointment of the members of the Board of Statutory Auditors including therein the Chairman, in accordance with the specific terms agreed between the same Local Authority shareholders.

33.2 The shareholders' meeting establishes the fee due to the auditors, along with the reimbursement of the costs incurred for the accomplishment of the appointment.

ARTICLE 34

Accounts auditor

34.1 The accounts auditor or the company appointed to audit the accounts, also by means of exchanges of information with the Board of Statutory

Auditors:

a) express - by means of a specific report - an opinion on the annual financial statements and the consolidated financial statements, if drawn up;

b) checks during the accounting period the due keeping of the company accounts and the correct recording in the accounting records of the operating events;

34.2 The shareholders' meeting, on a motivated proposal from the statutory auditor, grants the appointment for the statutory audit of the accounts and determines the fee due to the accounts auditor or the auditing firm for the entire duration of the appointment and any criteria for the adjustment of this fee during the appointment.

34.3 The appointment for the accounts auditing has a duration in accordance with the regulatory provisions applicable from time to time with expiry on the date of the Shareholders' Meeting called to approve the financial statements relating to the last period of the appointment.

34.4 The accounts auditor or the auditing firm must possess - for the entire duration of their appointment - the requisites as per the current regulatory provisions. Otherwise, they cannot be appointed or fall from office by law. In the event of the fall from office of an accounts auditor, the directors are required to call the shareholders' meeting without delay for the appointment of a new accounts auditor.

34.5 The accounts auditors fall from office with the approval of the

financial statements relating to their last accounting period.

FINANCIAL STATEMENTS AND PROFITS

ARTICLE 35

Accounting periods

35.1 The accounting periods end on thirty-one December of each year.

35.2 At the end of each accounting period, the Board of Directors takes steps, under the terms and observing the provisions of the law on the subject, to draw up the draft financial statements of the company and the reports envisaged by law.

ARTICLE 36

Profits

36.1 The net profits, less 5% (five percent) to be allocated to the legal reserve up to the limit envisaged by current legal provisions, are allocated to the shares, unless the shareholders' meeting resolves the total or partial allocation in favour of extraordinary reserves or arranges the carrying forward to the next accounting period.

36.2 The dividends not collected within five years from the day on which they become payable, fall into prescription in favour of the company.

WINDING UP AND LIQUIDATION

ARTICLE 37

Appointment of the liquidators

37.1 The company is wound up for the reasons envisaged by the law.

37.2 Should the company be wound up at any time and for any reason, the

Board of Directors must carry out the publication fulfilments envisaged by the law within 30 (thirty) days of the occurrence thereof.

37.3 Extraordinary shareholders' meetings, if necessarily called by the Board of Directors, establish the winding up formalities and appoint one or more liquidators, establishing the powers and any fee, subject to observance of the binding provisions of the law on the subject.

ARTICLE 38

Arbitration clause

38.1 Any dispute between the shareholders or between the same and the Company which concerns available rights relating to the corporate relationship, with the exception of those for which the law envisages the mandatory intervention of the public prosecutor, and concerning the interpretation and execution of these Articles of Association, shall be submitted for the exclusive competence of an arbitration board, made up of 3 (three) arbitrators, all appointed by the Presiding Judge of the Court of the location where the registered offices of the company are located, which will take steps to make the appointment within 30 (thirty) days of the request made by the most diligent party. In the event that the appointed party does not take steps by the envisaged deadline, the appointment will be requested, by the most diligent party, of the Presiding Judge of the Court of the location where the registered offices of the company are located.

The Arbitration venue shall be c/o the domicile of the Chairman of the Arbitration Board.

38.2 It is irrevocably established from this point on that the resolutions and decisions of the arbitration board will be binding for the parties.

38.3 The arbitration costs will be payable by the losing party, unless decided otherwise by the arbitration board.

GENERAL PROVISIONS

ARTICLE 39

Reference

39.1 With regard to the matters not expressly laid down in these Articles of Association, the provisions of the Italian Civil Code and special laws on the subject are valid.

ARTICLE 40

Co-ordination and control Committee and territorial Committee

The local public Authority shareholders of the Company establish a co-ordination and control Committee amongst them.

The co-ordination and control Committee is made up of the legal representatives of each public authority shareholder or a party delegated by the same.

With specific agreements signed by the local Public Shareholders, as well as with forms of self-regulation adopted by the organism itself, the tasks and operating rules of the co-ordination and control committee are governed, in order to ensure the joint exercise of decisive influence over the strategic objectives and significant decisions of the Company, in conjunction with the competences of the Assembly of shareholders.

The co-ordination and control Committee checks, at least every six months, the state of implementation of the objectives and the directives

imparted to the Company by the Local Authority shareholders in the same committee, as per article 11 of these Articles of Association, during the shareholders' meeting of the Company.

Within the co-ordination and control Committee and in additions to the functions assigned to it, the local public Authority shareholders, gathered in groupings by territorial areas, can delegate similar control over the services managed in the related Municipalities to specific territorial Committees, in connection and coordination with the competences and functions of the co-ordination and control Committee.

SIGNED VLADIMIRO AGOSTINI

SIGNED GIANNI DALLA MORA

SIGNED DOTT. MASSIMO-LUIGI SANDI NOTAIO (L.S.)