



## Press release

**The Shareholders' Meeting of ERG S.p.A. approves the Financial Statements at 31 December 2020, resolves on the payment of a dividend of EUR 0.75 per share, appoints the new Board of Directors, confirms Edoardo Garrone as Chairman, and approves the Long-Term Incentive Plan (2021-2023 LTI System).**

**The Board of Directors appoints Paolo Luigi Merli, formerly the General Manager and CFO of the Group, as the new Chief Executive Officer. It confirms Alessandro Garrone as Executive Deputy Chairman and Giovanni Mondini as Deputy Chairman**

**The Board of Directors expresses heartfelt thanks to Luca Bettonte, Chief Executive Officer over the last nine years, and confirmed as Director and member of the Strategic Committee, for the extraordinary results achieved, which enabled ERG to develop and affirm its position as a Leading European Player in renewable energies through a radical industrial transformation**

**Genoa, 26 April 2021**

Edoardo Garrone commented, **"On behalf of the Shareholders and myself, I thank the members of the outgoing Board for their significant contribution during their mandate. I would like to specifically thank Luca Bettonte, who successfully steered the group during these extraordinary years of radical industrial transformation and who, in his new role, will continue to provide a priceless contribution to the Group's development. My best wishes to Paolo Luigi Merli for his prestigious role as Chief Executive Officer, which he will bring all his skill and passion to performing"**.

Alessandro Garrone commented, **"Firstly, my sincere thanks go to Luca Bettonte for the incredible work he has done over the last 15 years at ERG, in which we achieved excellent results. Just as I did 10 years ago, after three terms as Chief Executive Officer, Luca is also handing over to a manager who has grown within the company - Paolo Luigi Merli. Paolo has participated in and contributed significantly to each step of this extraordinary process and I am sure he will be able to lead the Group on its ambitious growth plan, while respecting our ethical values"**.

Luca Bettonte commented, **"I would like to thank the Chairman, the Executive Deputy Chairman and the entire Board of Directors for the trust and ongoing support that I received during these three terms as Chief Executive Officer. I thank all of ERG's people for the passion, professionalism and commitment they have always shown. I am leaving ERG guidance in Paolo's hands, someone who has worked with me for 15 years, during which we completed the long, exciting process of transformation and growth, which I had the privilege to govern. In the future I will keep contributing to ERG's growth as Director and member of the Strategic Committee"**.

Paolo Luigi Merli commented, **"I thank the Shareholders and the Board for the trust they've placed in me now, and the support they will give me in the future. With a clear view of the challenges awaiting us, I am confident, now more than ever, that ERG's industrial and financial soundness, its people, top quality managerial team, which was recently reformed through internal promotions, but also with important external hires, have laid the foundation to continue our process of development, transformation and growth that has made the ERG Group a European leader in renewable energies"**.

The ERG S.p.A. Shareholders' Meeting, held today, approved the Financial statements for the year ended 31 December 2020, which report a profit of EUR 12.4 million, and reviewed the Group's Consolidated Financial Statements at 31 December 2020, which posted an adjusted net profit<sup>1</sup> of EUR 105.8 million, as well as the Consolidated Non-Financial Statement at 31 December 2020.

The Shareholders' Meeting resolved to pay a dividend of EUR 0.75 per share, which will be paid as from 26 May 2021 (payment date), with an ex-dividend date (no. 24) as from 24 May 2021 (ex date) and record date of 25 May 2021.

The Shareholders' Meeting appointed the new Board of Directors for the next three-year period – composed of 12 members – in the persons of Edoardo Garrone, Alessandro Garrone, Giovanni Mondini, Paolo Luigi Merli, Luca Bettonte, Marco Costaguta, Elisabetta Oliveri, Mara Anna Rita Caverni, Federica Lolli, Emanuela Bonadiman, Elena Grifoni Winters and Mario Paterlini<sup>2</sup> and confirmed Edoardo Garrone as Chairman of the Company.

ERG S.p.A.'s Board of Directors, having met on conclusion of the Shareholders' Meeting, confirmed the powers assigned to the Chairman, confirmed Alessandro Garrone as Executive Deputy Chairman and appointed him as Director in charge of the Internal Control and Risk Management System, confirmed Giovanni Mondini as Deputy Chairman and appointed Paolo Luigi Merli as Chief Executive Officer who, as a result, submitted his resignation from both the office of General Manager, previously held with the title of "Corporate General Manager & CFO", and the office of Manager responsible for preparing the Company's financial reports.

As Chairman, continuing the mandate previously assigned, Edoardo Garrone shall oversee corporate affairs operations, through the duties of supervision, direction and control.

Alessandro Garrone, in his capacity as Executive Deputy Chairman, continuing his previous mandate, shall supervise the Group's strategic decisions and the definition of the organisational macro-structure, also performing direction and coordination activities with regard to non-recurring transactions, including structured finance transactions, while in his capacity as Director in charge of the Internal Control and Risk Management System, overseeing the internal audit, risk management and compliance activities, he shall verify the correct functioning and overall adequacy of the Internal Control and Risk Management System in accordance with the related Guidelines approved by ERG S.p.A.'s Board of Directors.

The Chief Executive Officer Paolo Luigi Merli was assigned the powers necessary to carry out all actions pertaining to corporate business, except for those reserved (by law or under the Articles of Association) to the Board of Directors and those assigned to other Directors and, with regard to the Internal Control and Risk Management System, the responsibility to oversee the identification of the main corporate risks, taking account of the characteristics of the business conducted by ERG S.p.A. and its subsidiaries.

The Board of Directors confirmed also the independence of the Directors Elisabetta Oliveri, Mara Anna Rita Caverni, Federica Lolli, Emanuela Bonadiman, Elena Grifoni Winters and Mario Paterlini, based on the information they provided, with reference to the provisions of Article 148, third

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<sup>1</sup> In order to facilitate an understanding of the operating segments' performance, the operating results are shown with the exclusion of significant special income components of an extraordinary nature (special items): these results are indicated with the term "adjusted".

<sup>2</sup> The Directors Edoardo Garrone, Alessandro Garrone, Giovanni Mondini, Paolo Luigi Merli, Luca Bettonte, Marco Costaguta, Elisabetta Oliveri, Mara Anna Rita Caverni, Federica Lolli, Emanuela Bonadiman and Elena Grifoni Winters were drawn from the list submitted by the shareholder San Quirico S.p.A., holder of 83,619,940 shares at 25 March 2021 (date on which the list was submitted), representing 55.628% of the share capital of ERG S.p.A., approved by a majority of the shareholders that participated in the Shareholders' Meeting. The Director Mario Paterlini was drawn from the list submitted by several investors who held – at 30 March 2021, the date on which the list was submitted – 4,448,884 shares representing 2.960% of ERG S.p.A.'s share capital, approved by a number of shareholders holding a total stake 50% higher than that required to submit lists. The Directors' CVs are available on the Company's website [www.erg.eu](http://www.erg.eu).

paragraph, of the Consolidated Finance Act and with reference to the information contained in the Corporate Governance Code promoted by Borsa Italiana.

In consideration of the process to incorporate the sustainability of business activities when defining its strategies, implemented for some time now, that will result in the Board of Directors approving the 2021-2025 ESG Plan that will be presented to the market in the first half of 2021, the Board of Directors expanded the sustainability responsibilities of the previous Control and Risk Committee and, as a result, appointed a Control, Risk and Sustainability Committee, confirming the Directors Mara Anna Rita Caverni and Elisabetta Oliveri as members of that Committee and appointing the Director Federica Lolli as additional member. The Committee shall fulfil the role and responsibilities indicated in the Corporate Governance Code for the Control and Risk Committee, as well as those regarding sustainability.

In continuity with past corporate governance decisions, the Board of Directors appointed a Nominations and Remuneration Committee, identifying the Directors Emanuela Bonadiman, Federica Lolli and Elena Grifoni Winters as members of that Committee. The Committee shall fulfil the role and responsibilities indicated in the Corporate Governance Code for the Nominations and Remuneration Committee.

Also in continuity with past corporate governance decisions, the Board of Directors appointed a Strategic Committee, confirming the Directors Alessandro Garrone – Chairman – Giovanni Mondini, Paolo Luigi Merli, Luca Bettonte, Marco Costaguta and Elisabetta Oliveri as members of that Committee. The Committee will also carry out the role set forth in Article 1, recommendation 1a), of the Corporate Governance Code, supporting the Executive Deputy Chairman and Chief Executive Officer in performing their mandates in relation to the Board of Directors, within the strategies and policies approved by the Board of Directors, through the prior examination of the Group's long-term Business Plans and investment budgets, as well as significant investments and operations at Group level.

The Board of Directors acknowledged also the new organisational macro-structure, which has been profoundly changed due to both the latest entries in the Group (see the press release of 1 December 2020) and the changes in top management, which resulted in the elimination of the position of General Manager.

The new macro-structure entails specifically the appointment of Michele Pedemonte, previously financial director, as Chief Financial Officer and, considering the importance and crucial nature that Sustainability issues have taken on as part of defining and pursuing the Corporate Strategy, includes a new Division that reports directly to the Chief Executive Officer, "ESG, IR & Communication", headed by Emanuela Delucchi.

The Board of Directors appointed then Michele Pedemonte, in his role as Chief Financial Officer, as the Manager responsible for preparing the Company's financial reports, who will be in charge of performing that role starting this year, with regard to the information and accounting and financial documents relating to financial year 2021. He was appointed by way of a favourable opinion of the Board of Statutory Auditors and in accordance with the requirements set out in the Articles of Association.

Upon proposal by the Chairman, the Board of Directors confirmed Giovanni Marco Scollo in the role of Secretary, in charge of supporting the Chairman's work and providing assistance and advice to the Board of Directors on all important aspects for the correct functioning of the corporate governance system.

### **Other resolutions passed by the Shareholders' Meeting**

The Shareholders' Meeting determined the fees payable to members of the Board of Directors, the Control and Risk Committee (now called the Control, Risk and Sustainability Committee) and the Nominations and Remuneration Committee for the year 2021, based on the proposals formulated in

accordance with Article 126-*bis* of the Consolidated Finance Act, by shareholder Polcevera S.r.l., holder of 10,380,060 shares representing 6.9% of ERG S.p.A.'s share capital.

Pursuant to Article 2357 of the Italian Civil Code, by revoking, for the period still remaining, the previous authorisation resolved by the Shareholders' Meeting on 21 April 2020, the Shareholders' Meeting authorised the Board of Directors, for a period of 18 months from 26 April 2021, to repurchase treasury shares up to a revolving maximum (i.e. the maximum amount of treasury shares held in the portfolio at any time) of 30,064,000 ordinary ERG shares with a par value of EUR 0.10 each, at a unit price, including ancillary purchase charges, not lower than 30% below and not higher than 10% above the closing price of the stock on the day immediately preceding each individual transaction. The purpose of this is to optimise the capital structure with a view to maximising value creation for shareholders, also based on available liquidity and, in any case, for any ulterior purpose permitted by the current applicable laws and regulations.

The purchase must be made by using distributable profits and the available reserves resulting from the latest approved financial statements, in accordance with Article 132 of the Consolidated Finance Act and with the methods envisaged by Article 144-*bis*, paragraph 1, subsection b) of the Issuers' Regulation and namely "*on regulated markets or on multilateral trading systems based on operating methods set out in the organisation and management regulations of the markets themselves, which do not allow direct matching of buy orders with predetermined sell orders*".

By revoking, for the period still remaining, the previous authorisation resolved by the Shareholders' Meeting on 21 April 2020, the Shareholders' Meeting authorised the Board of Directors, pursuant to Article 2357-*ter* of the Italian Civil Code, for 18 months as from 26 April 2021, to sell, all at once or in several steps, and with any procedures deemed appropriate in relation to the purposes, which the disposal is attempting to achieve, treasury shares at a unit price no lower than 10% below the closing price of the stock on the day immediately preceding each individual sale.

The Shareholders' Meeting approved the Long-Term Incentive Plan (2021-2023 LTI System), in accordance with the terms and conditions set forth in the Information Document made available to the public within the deadlines and according to the procedures set forth in current legislative and regulatory provisions.

Lastly, the Shareholders' Meeting approved the first section of the Report on the Remuneration policy and on the amounts paid, relating to the Company's policy on remuneration of the members of the administrative bodies, general managers, key management personnel for the year 2021 and members of the supervisory bodies, and the second section of the Report.

Pursuant to Article 125-*quater*, paragraph 2, of the Consolidated Finance Act, the summary statement of voting will be made available on the Company's website ([www.erg.eu](http://www.erg.eu)) under the "*Corporate Governance/2021 Shareholders' Meeting*" section within five days of the date of the Shareholders' Meeting. That document will calculate the number of shares represented at the Shareholders' Meeting and those for which votes have been cast, the percentage of share capital represented by those shares, the number of votes in favour or against the resolution and the number of abstentions.

The Shareholders' Meeting minutes will be made available to the public by the deadlines and according to the procedures set forth in the current legislative and regulatory provisions at the registered office of the Company at Via De Marini 1, Genoa, Italy, and on the Company's website ([www.erg.eu](http://www.erg.eu)) under the "*Corporate Governance/2021 Shareholders' Meeting*" section, at Borsa Italiana S.p.A. and on the authorised storage platform eMarket Storage ([www.emarketstorage.com](http://www.emarketstorage.com)).

*This press release, issued on 26 April 2021 at the public at 6:15 p.m. (CEST) is available to the public at Borsa Italiana S.p.A., on the authorised storage mechanism eMarket Storage ([www.emarketstorage.com](http://www.emarketstorage.com)) and on the Company website ([www.erg.eu](http://www.erg.eu)) under the "Media/Press releases" section.*

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