



# Ordinary Shareholders' Meeting of 22/23 April 2026

## REPORT ON THE REMUNERATION POLICY AND THE FEES PAID



# CONTENTS

<b>LETTER OF THE CHAIRWOMAN OF THE NOMINATIONS AND REMUNERATION COMMITTEE</b>	<b>3</b>
<b>EXECUTIVE SUMMARY</b>	<b>4</b>
2026 REMUNERATION POLICY GUIDELINES	4
DIALOGUE WITH STAKEHOLDERS	7
SUMMARY OF THE MAIN CHANGES	8
CONTRIBUTION TO THE STRATEGY	8
PAY FOR PERFORMANCE	10
PEOPLE AT THE CORE	13
<b>INTRODUCTION</b>	<b>16</b>
<b>SECTION I: 2026 REMUNERATION POLICY</b>	<b>17</b>
1. EVOLUTION OF APPROACH	17
2. PARTIES INVOLVED	17
2.2 NOMINATIONS AND REMUNERATION COMMITTEE	18
3. STRUCTURE OF THE 2026 REMUNERATION POLICY	19
3.2 BOARD OF DIRECTORS	19
3.3 KEY MANAGERS	24
3.4 INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS	26
3.5 BOARD OF STATUTORY AUDITORS	27
4. DEROGATION PROCEDURE	27
<b>SECTION II: FEES PAID FOR 2025</b>	<b>28</b>
5. IMPLEMENTATION OF THE 2025 REMUNERATION POLICY	28
5.1 BOARD OF DIRECTORS	28
5.2 KEY MANAGERS	30
5.3 INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS	31
5.4 BOARD OF STATUTORY AUDITORS	31
6. FEES PAID IN 2025	34
7. MONETARY INCENTIVE PLANS	37
8. SHARE INCENTIVE PLANS	38
9. COMPENSATION PLANS BASED ON FINANCIAL INSTRUMENTS	39
10. EQUITY INVESTMENTS HELD IN 2025	39
<b>GLOSSARY</b>	<b>40</b>



# LETTER OF THE CHAIRWOMAN OF THE NOMINATIONS AND REMUNERATION COMMITTEE



**Elisabetta Caldera**  
*Chairwoman of the Nominations and Remuneration Committee*

Dear Shareholders,

As Chairwoman of the Nominations and Remuneration Committee, together with my colleagues Elisabetta Oliveri and Federica Lolli, I am pleased to present the ERG Annual Report on the Remuneration Policy and the fees paid.

The current macroeconomic scenario is still dominated by geopolitical risks and uncertainties linked to climate change, but ERG continues to maintain a clear and determined strategy in the area of sustainability. As a leader in the renewable energy sector, we continue our growth journey with a selective approach aimed at maximising returns on renewable investments, while at the same time expanding the scope of our activities through the integration of battery energy storage systems (BESS) designed to ensure greater flexibility and security of electricity grids. For us, consistency with climate objectives represents a duty towards future generations and the sustainability of the planet. In light of the complex geopolitical and regulatory landscape in which the Group operates, both in Italy and abroad, with the Updated Business Plan we have confirmed and strengthened the “Value over Volume” approach, based on selective and flexible growth, in order to seize and maximise business opportunities.

In preparing the 2026 Policy, in continuity with previous years, we took into consideration the indications that emerged from the favourable vote of the Shareholders' Meeting of 22 April 2025, as well as the results of the engagement activities that we conducted with key proxy advisors, investors and stakeholders on corporate governance topics. The structure of the Policy, in line with that adopted for 2025, has been defined with the aim of ensuring that the remuneration and incentive system is aligned with the Group's objectives and strategy, pursuing sustainable success and long-term value creation.

In this context, the Board of Directors has approved the adjustment of the growth target under the long-term incentive plan (2024–2026 LTI System) to align it with the growth targets set out in the Updated Business Plan. The latter provides, as part of a review of the corporate strategy for the years 2025 and 2026, for a reduction in the projected growth in MW, in line with a “Value over Volume” approach. Such alignment is intended to strengthen the convergence between the interests of the beneficiaries and those of the shareholders in pursuing the primary objective of sustainable value creation, as well as to ensure an appropriate level of incentive towards achieving the growth target set out in the Updated Business Plan and the retention of key resources.

We also continue to strive to ensure an inclusive and sustainable working environment, promoting meritocracy, the development of new skills and respect for diversity and multiculturalism. The integration of the D&I policy into company strategies has fostered cultural growth and strengthened the tools for monitoring and engagement. In 2025, we obtained the renewal of the Gender Equality Certification, first achieved in 2024 for our activities in Italy, as evidence of the path undertaken and the results achieved in this area.

I would like to express my sincere gratitude to my colleagues Elisabetta Oliveri and Federica Lolli for offering their valuable availability, experience and professionalism to the Committee. I now present the Report proposed for the new term, with the hope that it provides a comprehensive overview of ERG's remuneration system and contributes to value creation and sustainable success for shareholders and other stakeholders in the medium to long term.

Sincerely,  
Elisabetta Caldera



# EXECUTIVE SUMMARY

## 2026 REMUNERATION POLICY GUIDELINES

Fixed Remuneration		
<b>Purpose</b>	Enhances the responsibilities, the skills and the contribution demanded by the position. Ensures attraction and retention through continuous market benchmarking. Remunerates the activity carried out in the event that the variable component is not paid out.	
<b>Executive Deputy Chairman</b>	Annual fee:	Determination: resolved by the Shareholders' Meeting as a member of the Board of Directors.
	Annual remuneration:	Determination: resolved by the Board of Directors as Executive Director vested with specific duties. The amount is determined through benchmarking of the positions held against a peer group consisting of industrial companies in the FTSE MIB and FTSE MID CAP, comparable to ERG in terms of market capitalisation, shareholding structure, delegation system and complexity.
<b>Chief Executive Officer</b>	Annual fee:	Determination: resolved by the Shareholders' Meeting as a member of the Board of Directors.
	Annual remuneration:	Determination: resolved by the Board of Directors as Executive Director vested with specific duties. The amount is determined through benchmarking of the positions held against a peer group consisting of industrial companies in the FTSE MIB and FTSE MID CAP, comparable to ERG in terms of market capitalisation, shareholding structure, delegation system and complexity.
<b>Non-Executive Directors</b>	Annual fee:	Determination: resolved by the Shareholders' Meeting as members of the Board of Directors.
<b>Key Managers</b>	Annual salary	Defined in the employment contract and determined through specific market analyses relating to roles with a similar level of responsibility and managerial complexity within the relevant national industrial markets.

Short-Term Variable Remuneration				
<b>Purpose</b>	Annual monetary incentive aimed at achieving predetermined, measurable economic, financial, growth and sustainability objectives, in line with the budget.			
<b>Features</b>	Monetary incentive with an annual time horizon and no deferral mechanism.			
<b>Clawback clause</b>	Exercisable within 3 years			
<b>Objectives</b>	<b>EBT</b>	<b>Sustainability<sup>1</sup></b>	<b>Economic/financial growth</b>	<b>Individual targets</b> (sustainability, economics, business development, and/or specific projects)
<b>Variability</b>	50%-150% of the target	80%-120% of the target	80%-120% of the target	80%-120% of the target
<b>Variability criteria</b>	Score < minimum threshold: 0% of the target bonus is paid out. Score = minimum threshold: 50% of the target bonus is paid out. Score ≥ maximum threshold: 150% of the target bonus is paid out 150% del bonus target.	Score < minimum threshold: 0% of the target bonus is paid out. Score = minimum threshold: 80% of the target bonus is paid out. Score ≥ maximum threshold: 120% of the target bonus is paid out.	Score < minimum threshold: 0% of the target bonus is paid out. Score = minimum threshold: 80% of the target bonus is paid out. Score ≥ maximum threshold: 120% of the target bonus is paid out.	Score < minimum threshold: 0% of the target bonus is paid out. Score = minimum threshold: 80% of the target bonus is paid out. Score ≥ maximum threshold: 120% of the target bonus is paid out.
<b>Annual target breakdown</b>				
<b>Chief Executive Officer</b>	50%	20%	30%	-
<b>Key Managers</b>	30%	10%	-	60%

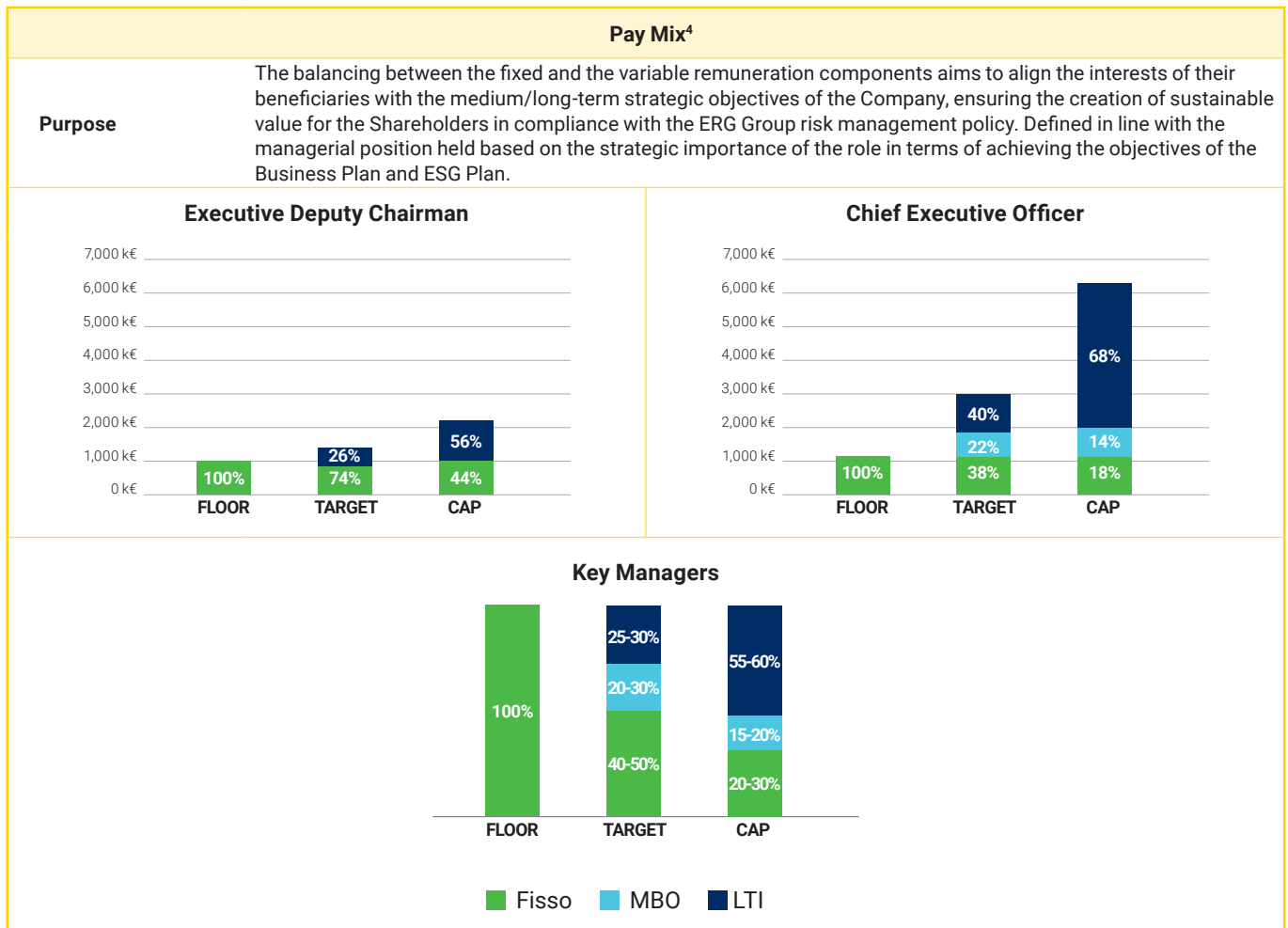
<sup>1</sup> Targets common to all beneficiaries of the MBO system. Key Managers are assessed on sustainability topics both through the common sustainability target and with the individual targets linked to specific sustainability topics.



Long-Term Variable Remuneration			
<b>Purpose</b>	Aligning the interests of the beneficiaries with the pursuit of the priority objective of the creation of sustainable value for the shareholders over the medium/long term. Contributes to the strategy of ensuring the Company's sustainability over time, incentivising beneficiaries to achieve strategic results, with a view to sustainable success, consistent with the specific objectives of the Business Plan and the ESG Plan.		
<b>Vehicle</b>	Performance Share. <sup>2</sup>		
<b>Vesting Period</b>	Three-year period 2024 – 2025 – 2026.	<b>Allocation</b>	One-time allocation at the start of the plan.
<b>Vesting date</b>	2027: date on which the shareholders' meeting approves the financial statements for the year ending 31 December 2026.	<b>Lock-up</b>	12-month duration on 30% of the Shares allocated.
<b>Clawback clause</b>	Exercisable within 3 years.		
<b>Termination of office/ employment clause</b>	The regulation defines the circumstances of "bad leaver", which entail the loss of the right to the potential allocation of Shares at the end of the vesting period, and of "good leaver", under which, upon fulfilment of the Minimum Economic Performance Condition, the Shares will be allocated on a pro rata basis in relation to the duration of the employment relationship/mandate.		
<b>Beneficiaries</b>	Identified by resolution of the Board of Directors, upon proposal of the NRC and following consultation with the Board of Statutory Auditors, on 15 May 2024.		
	<b>Executive Deputy Chairman</b>	No. Shares Assigned at the beginning of the plan 42,000	
	<b>Chief Executive Officer</b>	No. Shares Assigned at the beginning of the plan 144,000	
	<b>Key Managers</b>	No. Shares Assigned at the beginning of the plan 99,480	
<b>Pay out range</b>	The Shares that may be allocated may vary up to a cap of 300% of the Shares Assigned (SA), depending on the level of achievement of the Minimum Economic Performance clause (entry gate) and the performance against the relevant targets.		
<b>Entry gate</b>	85% of the cumulative EBITDA for the three-year period 2024-2025-2026 as per the 2024-2026 Business Plan.		
<b>Objectives</b>	<b>60% ERG share</b>	<b>20% Sustainability</b>	<b>20% Growth</b>
	ERG share price .	Divided into 4 objectives linked to the sustainability pillars.	Installed/Acquired production capacity in MW in the years 2024-2026.
<b>Variability criteria</b>	p/sh ERG ≤ EUR 25 p/sh "Target Price": the Shares allocated are equal to 60% of the SA.	score < Floor: the Shares allocated are equal to 0% of the SA relating to this indicator	score < Floor: the Shares allocated are equal to 0% of the SA relating to this indicator
	p/sh ERG ≥ EUR 32.5 p/sh "Cap Price": the Shares allocated are equal to 220% of the SA.	score = Floor: the Shares allocated are equal to 10% of the SA	score = Floor: the Shares allocated are equal to 10% of the SA
	p/sh ERG <> between Target Price and Cap Price = Shares allocated are determined by interpolation <sup>3</sup> .	score = 100% of the target: the Shares allocated are equal to 20% of the SA	score = 100% of the target: the Shares allocated are equal to 20% of the SA
		score ≥ Cap: the Shares allocated are equal to 40% of the SA	score ≥ Cap: the Shares allocated are equal to 40% of the SA
	score <> between Floor and Cap: the Shares allocated are determined by linear interpolation.	score <> between Floor and Cap: the Shares allocated are determined by linear interpolation.	

2 The regulation implementing the 2024-2026 LTI Plan was approved by the Board of Directors on 15 May 2024, at the same time as approving the 2024-2026 Business Plan and the 2024-2026 ESG Plan, in order to ensure that the timeframes are fully consistent with the new mandate and the objectives of the aforementioned Plans.

3 Considering that at EUR 27 p/sh, the Shares allocated are equal to 70% of the SA, and that at EUR 30 p/sh, the Shares allocated are equal to 140% of the SA.



Non-monetary benefits	
<b>Purpose</b>	In a Total Reward approach, the remuneration package is integrated with benefits, mainly in the form of pension and social security.
<b>Executive Deputy Chairman</b>	Medical assistance and insurance coverage against the risk of death and disability (which are subtracted from the annual compensation) Company car for mixed use.
<b>Chief Executive Officer</b>	
<b>Key Managers</b>	Medical assistance, supplementary pension and insurance coverage against the risk of death and disability Company car for mixed use.

Procedure in the event of termination of office or termination of employment	
<b>Purpose</b>	They meet contractual obligations and are aimed at attracting and retaining highly qualified figures.
<b>Chief Executive Officer</b>	Indemnity for early termination of office or non-renewal thereof, equal to the remuneration received during the 24-month period of service, calculated as the sum of the fixed annual component and the variable short-term target component.
<b>Other Executive and Non-Executive Directors</b>	No indemnity payments for termination of office are envisaged for the other executive and non-executive directors of the Board of Directors.
<b>Key Managers</b>	The provisions of the National Collective Labour Agreement for managers of industrial companies producing goods and services apply and, in accordance with Italian statutory provisions, the severance indemnity is recognised, which amounts on average to approximately 7% of the relevant gross annual remuneration paid.

<sup>4</sup> The target value of the long-term component was determined by multiplying the target price (EUR 25 p/sh) by the number of shares assigned. The cap value of the long-term component was determined by multiplying the Cap Price by 300% of the number of shares assigned, assuming the simultaneous achievement of the Cap Price (EUR 32.5 p/sh), the cap value of the growth target, and the cap value of each sustainability indicator. The MBO cap value is calculated by multiplying the assigned target value and the maximum achievable performance (cap) of each target (EBT 150%, other targets 120%).

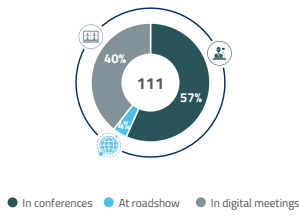


## DIALOGUE WITH STAKEHOLDERS

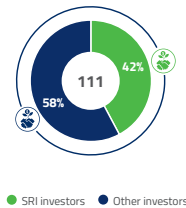
ERG promotes continuous, timely, transparent and constructive dialogue with the financial community (institutional and retail investors) and with all stakeholders interested in learning about the ERG Group, in compliance with equal access to information and, more generally, with the legislative and regulatory provisions governing the management of relevant and inside information. This commitment is implemented through the use of multiple communication channels and dedicated meetings with the financial community, during which strategic guidelines and financial and business objectives are presented. During 2025, meetings were held with 111 investors through participation in thematic conferences and the organisation of both virtual and in-person meetings across the main financial centres. The number of SRI investors engaged increased (42% in 2025 compared with 39% in 2024), confirming our sustainability strategy, which is fully integrated into our business model and capable of attracting investors interested in ESG performance who, by their nature, adopt a long-term investment approach.

### Investors meet in 2025

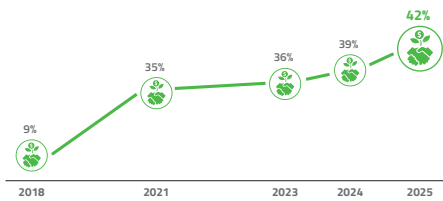
BY MEETING TYPE



BY INVESTOR TYPE



GROWTH % SRI INVESTORS OUT OF THE TOTAL INVESTORS MET

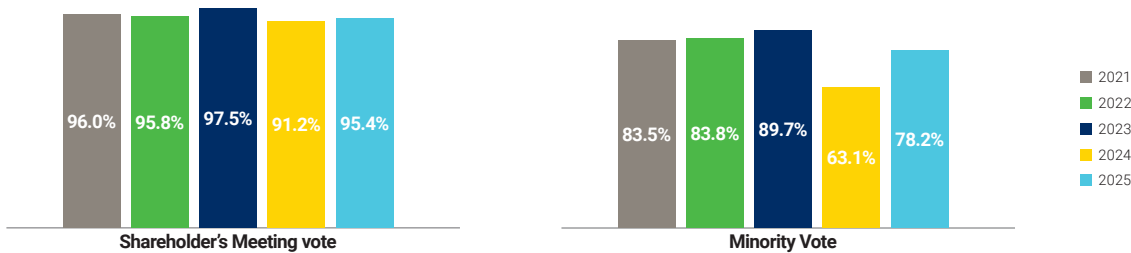


MAIN TOPICS DISCUSSED WITH SRI INVESTORS

- Scarce availability of wind resources in Europe
- Repowering as the main engine of our organic development
- "Value over volume" strategy, and expectation on IRR in the various projects
- US growth prospects, and risks for business in the Trump era
- Route-to-market strategy (PPA contracts, and outcomes 1st FerX tender in Italy)
- Growth potential and the need for more flexibility in storage
- Price volatility, with particular focus on negative prices

In this context, particular importance is attached to the analysis carried out on proxy advisors' recommendations and voting policies, with particular attention to the voting orientations of minority shareholders and the evolution of their positions over time, in order to foster continuous improvement in the adoption of market best practices, including through the incorporation of development insights.

### Vote in favour of the Remuneration Policy – Section I – Shareholders present



As shown in the graph, the 2025 Remuneration Policy was approved with 95.4% of the total votes and the consensus of minorities stood at 78.2%. The increase in consensus is attributable to greater disclosure on elements and on metrics (i) of the Business Plan and the ESG Plan (ii) of the 2024-2026 LTI Plan, the objectives of which have been defined consistently with them and (iii) the overall remuneration package of the Executive Directors and specifically of the Chief Executive Officer defined by the new Board of Directors on 15 May 2024.

The second section of the Report "Fees paid in 2025" was approved with 82.8% of the total votes and 18.2% of minorities. For 2026, the Company aims to ensure that its policies and activities are as visible as possible, through continuous dialogue and the sharing of information on meetings with stakeholders, on the impacts generated and on the results achieved, pursuing the objective of consolidating the adoption of market best practices and continuously improving our ability to respond to the needs of investors and the market.

## SUMMARY OF THE MAIN CHANGES

The 2026 Remuneration Policy has been defined largely in continuity with the 2025 Policy. The amendments introduced, aimed at improving readability and transparency, seek to provide greater clarity on key matters. Furthermore, in order to (i) strengthen the alignment between the interests of the beneficiaries of the 2024-2026 Performance Share Plan and those of shareholders in creating sustainable value, and (ii) ensure an adequate level of incentive to achieve the ERG Group’s growth objectives and retain key resources, it became necessary to align the 2024-2026 Performance Share Plan, approved by the Board of Directors on 15 May 2024, with the Updated Business Plan. The latter, as part of the revision of the corporate strategy for the years 2025 and 2026, envisages a reduction in the assumptions regarding the growth of installed MW, favouring an approach focused on value rather than volume (so-called “Value over Volume”).

For the purposes of preparing the 2026 Policy, account was taken of: (i) the Italian Corporate Governance Code and the observations and recommendations of the Committee for Corporate Governance, relevant to remuneration, (ii) national and international best practices, (iii) the assessments expressed by the shareholders and the indications emerging from the vote of the Shareholders’ Meeting of 22 April 2025 on the 2025 Policy and on the fees paid in 2024, paying particular attention to the voting guidelines for minority shareholders and the evolution, over time, of their positions, (iv) the results of the engagement activities carried out by the Company with proxy advisors and institutional investors and, lastly, (v) the outcomes of the benchmark analysis relating to the remuneration of the executive and non-executive Directors of ERG for the year 2025, carried out with the support of TEHA Group.

## CONTRIBUTION TO THE STRATEGY

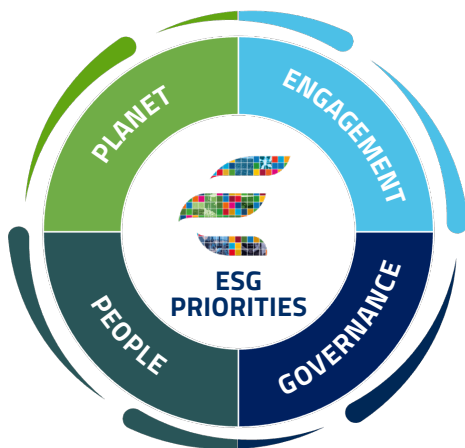
The Remuneration Policy pursues the principle of sustainable value creation, with the primary objective of generating benefits for all our stakeholders. It is defined to ensure full alignment with the corporate strategy, which is oriented towards long-term investments and sustained performance over time. The Policy supports the achievement of the objectives set out in the Business Plan and the ESG Plan, ensuring a balanced mix of remuneration elements, with the aim of creating sustainable value for shareholders and for all other stakeholders over the medium to long term.

### Sustainable success

For ERG, sustainable success, for the benefit of shareholders and all stakeholders, is pursued through the integration of business and sustainability, that is, through alignment between the objectives defined in the Business Plans and those set out in the ESG Plans. This integration ultimately aims to create lasting value for all stakeholders.

The ESG strategy, supported by appropriate financial discipline, has enabled the definition of our Sustainability Pillars, for each of which specific objectives and concrete actions have been identified that the Company commits to implementing in order to achieve them.

### ESG Priority



**Net Zero 2040 objectives** to continue our decarbonisation process, protecting biodiversity  
**Circular Economy** reducing waste in W&S repowering, continuing to research innovative technologies



**Sharing Value** building long-term partnerships with local communities  
**ERG Academy** to involve the future generation in the energy transition



**Safety** a priority in all our actions  
**DEI&B<sup>(a)</sup> well-defined objectives** to foster engagement and empowerment and belonging



**Consolidation of the governance model** to ensure integrity, transparency and accountability throughout our organisation  
**Involving the supply chain** in decarbonisation, D&I and the protection of human rights

(a) Diversity, equity, inclusion and belonging






The objectives of the Business Plan and the ESG Plan are expressed in the incentive systems, through the allocation of short-term objectives (MBO System) and long-term objectives (2024-2026 Performance Share Plan).



In particular, the actions of Management are assessed:

- in the short term (MBO System), through the achievement of a mix of targets aimed at guaranteeing profitability, financial soundness, operational efficiency, sustainable development, environmental protection, personal safety and diversity;
- in the medium to long term (2024-2026 LTI Plan), with reference to the value generated in relation to economic and financial results, growth and the achievement of objectives in the areas of decarbonisation, energy transition and diversity & inclusion.

				
		GROWTH	EFFICIENCY	SUSTAINABILITY
Short Term MBO	EBT		●	
	Economic/Financial growth	●	●	
	ESG Circular Economy Sharing value D&I Health and Safety			●
Long Term LTI	ERG SHARE (TSR)	●	●	
	Installed production capacity	●		
	ESG Net Zero Reputation HSE D&I			●

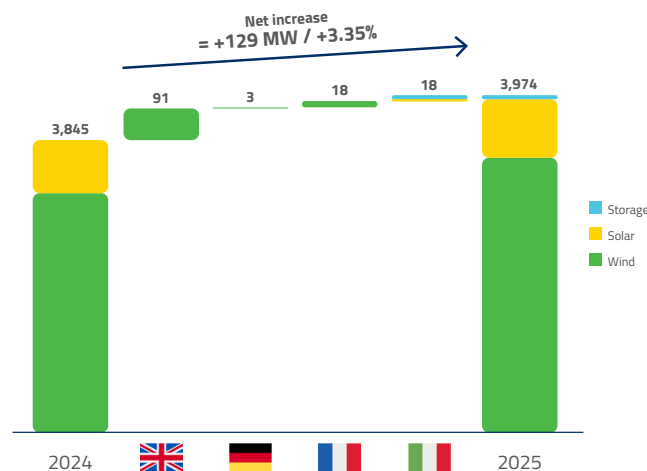
## PAY FOR PERFORMANCE

In 2025, ERG approved the Updated Business Plan aimed at maximising the return on investments through selective growth. Also in view of the longer-than-expected timeframe for the approval of the RES-X Decree, as well as a more cautious approach in the United States, capex for the period 2024-2026 has been reduced by 20% to EUR 1 billion. Consequently, the target for growth in the asset portfolio has been set at 4.2 GW by 2026 (previously 4.5 GW), with a greater focus on assets currently under construction or already more than 50% finalised, on repowering, and on the pipeline of organic projects.

### Business plan: results to date

	OBJECTIVES OF THE UPDATED 2024-2026 BP	RESULTS FROM 1/01/2025 TO 31/12/2025
Selective growth	<ul style="list-style-type: none"> <li>Installed capacity of about <b>4.2 GW</b> (vs. 4.5 GW) in 2026, focus on repowering and organic development</li> </ul>	<ul style="list-style-type: none"> <li><b>+132 MW gross</b> (= +129 MW net)</li> </ul>
Investments/EBITDA	<ul style="list-style-type: none"> <li><b>Investments: EUR 1.0 bn 2024-2026</b> (-20% vs prev. EUR 1.2 bn)</li> <li><b>EBITDA: &gt; EUR 600 mln to 2026</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Investments: EUR 235 mln @2025</b></li> <li><b>EBITDA: EUR 540 mln @2025</b></li> </ul>
Market Strategy	<ul style="list-style-type: none"> <li><b>Target confirmed: 85%-90% of GOP</b> quasi regulated through <b>CFDs</b> and <b>PPAs</b></li> </ul>	<ul style="list-style-type: none"> <li><b>8 PPAs</b> signed with <b>leading counterparties in Italy and abroad</b>, totalling <b>8.7 TWh</b> of renewable energy</li> </ul>
Value Creation	<ul style="list-style-type: none"> <li>Commitment to <b>maintain the IG rating: DCM</b> preferred option for efficiency and collection competitiveness</li> <li><b>"Value over Volume"</b> investment approach</li> </ul>	<ul style="list-style-type: none"> <li><b>IG rating confirmed</b> for 2025</li> </ul>
Geographical diversification	<ul style="list-style-type: none"> <li>Geographical <b>focus on Tier-1 countries</b>: growth and consolidation</li> <li>Assessing asset rotation opportunities in <b>Tier-2 countries</b></li> </ul>	<ul style="list-style-type: none"> <li>Increased presence in the <b>United Kingdom (+91 MW), France (+18 MW), Italy (+18 MW) and Germany (+6 MW gross = +3 MW net)</b></li> </ul>
Storage, hybrid systems and digitalisation	<ul style="list-style-type: none"> <li><b>Storage</b> as a <b>new field of development</b></li> <li><b>Hybridisation</b> as a technological opportunity to enhance our assets</li> <li><b>Digitalisation</b> to optimise asset performance</li> </ul>	<ul style="list-style-type: none"> <li><b>Start-up of the first BESS</b> (Battery Energy Storage Systems - electrochemical storage system) plant in <b>Vicari</b></li> </ul>
ESG	<ul style="list-style-type: none"> <li><b>Strategic priority</b>: consolidate <b>ERG's</b> positioning as <b>Tier-1</b></li> </ul>	<ul style="list-style-type: none"> <li>ERG ranked <b>No. 1</b> in the <b>"Global 100 most sustainable corporations in the world"</b> (Corporate Knights) and in the <b>"ESG Identity Corporate Index 2025"</b></li> <li><b>Score improvement</b> in main ESG ratings</li> </ul>
Shareholder remuneration	<ul style="list-style-type: none"> <li><b>2025</b>: annual remuneration to shareholders with <b>EUR 1 per share as dividend</b> plus <b>buyback</b> (already completed) of EUR 0.15 per share</li> <li><b>2026+</b>: <b>base of EUR 1 per share as dividend</b> and potential increase through buyback</li> </ul>	<ul style="list-style-type: none"> <li><b>Dividend of EUR 1 per share</b></li> <li><b>Buyback concluded</b> on 31/1/2025 for a total of <b>1.1 million treasury shares<sup>(a)</sup></b></li> </ul>

### Our growth in 2025



In January 2026, ERG, through its subsidiary ERG UK Holding Ltd, acquired from OnPath Energy Midco Limited 100% of a group of UK companies owning seven operational onshore wind farms in Northern England, with a total installed capacity of 73 MW. In parallel, through its subsidiary ERG Power Generation S.p.A., it sold to Nordetic AB 100% of ERG Sweden Holding AB, owner of Furukraft AB, the company holding the Furuby wind farm located in Sweden, with an installed capacity of 62 MW.























## Key economic and operating indicators

In 2025, adjusted revenue amounted to EUR 752 million, up from EUR 738 million in 2024, reflecting the full contribution of the new capacity progressively installed between 2024 and 2025, largely offset by wind conditions significantly below historical averages in Europe and by a declining price environment from the second half of 2025 onwards. Adjusted gross operating profit, net of special items, amounted to EUR 540 million, up compared with the EUR 535 million (+5 million, +1%) recorded in 2024.



(a) Net financial indebtedness does not include IFRS 16 debt



		2025	2024	Δ
 <b>PLANET</b> 	CO <sub>2</sub> avoided equal to n. flights <sup>(a)</sup>	 2,513 kt 5,026 flights	 2,401 kt 4,802 flights	+4.7%
	Wind and solar circular economy	 100% 96%	 100% 92%	- +4%
	Carbon Index	 15.1 g CO <sub>2</sub> e/kWh	 30.1 g CO <sub>2</sub> e/kWh	-50%
	Contribution to local communities <sup>(b)</sup>	 1.1%	 1.3%	-0.2%
 <b>ENGAGEMENT</b> 	Students involved in educational activities	 24,855	 25,480	-2.5%
	Social purpose projects <sup>(c)</sup>	 3	 4	-1
 <b>PEOPLE</b> 	Employees at the end of the year	 672 (31.4%) 68.6%	 660 (31.1%) 68.9%	+1.8%
	Key female leaders	 18%	 19%	-0.6%
	Training per employee	 5.4 giorni	 5.3 giorni	+2.6%
	Composition of the BoD	 12 (50%)	 12 (50%)	-
	Average ESG score of strategic suppliers <sup>(d)</sup>	 64.4	 64.4	-
 <b>GOVERNANCE</b> 	ESG Finance	 97%	 95%	+2%

(a) London - New York

(b) Community share on total group revenues

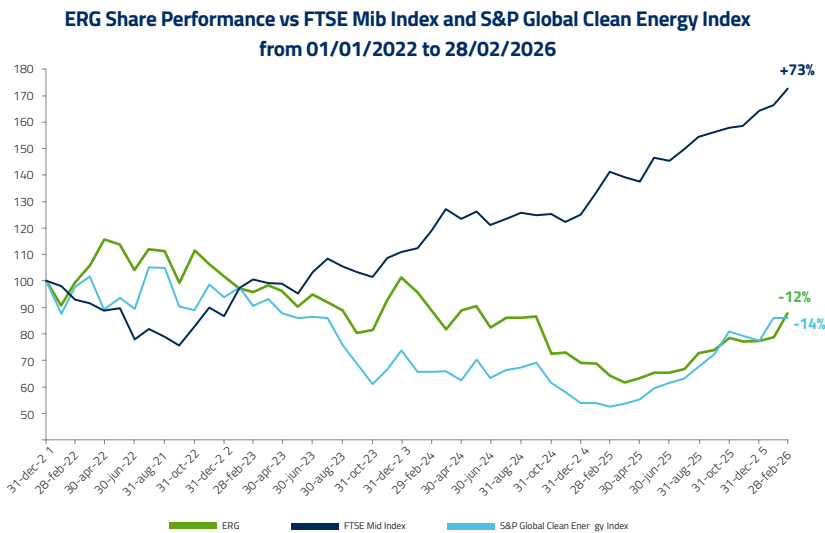
(c) Actual in line with the target

(d) Planned activity every two years (last available score 2024)

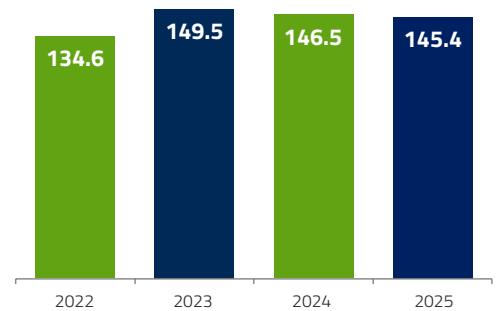


## ERG share performance from 01/01/2022 to 28/02/2026

From 1 January 2022 to 28 February 2026, ERG remunerated its shareholders with dividends, net of minorities, for a total of approximately EUR 576 million, while the stock recorded a drop of 12.3%, a performance that was 2 percentage points higher than the S&P Global Clean Energy Index, but around 85 percentage points lower than the average of the FTSE Mib Index, an index that groups the 40 main Italian listed companies and which ERG joined on 29 November 2022, remaining until 20 December 2024.



## Remuneration of shareholders in the four-year period 2022-2025



From 2022 to 2025, the Company distributed to its Shareholders dividends totalling EUR 576 million

## PEOPLE AT THE CORE

In line with the Group's strategic vision, the Remuneration Policy consists of instruments and principles applied across the entire workforce, reaffirming the principle that the Group's growth goes hand in hand with the growth of its people. The fundamental principle pursued is that of equal opportunities in access to development pathways and economic recognition for all employees, based on their respective characteristics and professional competencies. Strict policies and procedures are applied to prevent any form of discriminatory behaviour, with the remuneration policy and career development paths centred on the recognition of merit and further potential for development. A culture of pay equity is promoted, whereby equal pay is provided for equal work or work of equal value.

ERG adopts an integrated and consistent remuneration system for all its people across all the countries in which it operates, aligned with the relevant markets and with established salary progression frameworks. This system is linked to both corporate and individual performance and, in full compliance with local regulations, ensures remuneration capable of providing a decent standard of living, above mere subsistence levels, legal or contractual minimums, and prevailing pay standards in local markets.

### Gender Pay Gap

ERG promotes a culture of pay equity, whereby equal pay must correspond to equal work or work of equal value. The Company periodically monitors the performance of these indicators to ensure management consistent with its Diversity and Inclusion policy and, where any deviations emerge, ensures a thorough assessment of the issue.

The progress made in supporting the less represented gender is reflected in the narrowing gap at each career level. As the female workforce gradually grows across various organisational levels, it fosters a natural exchange that aims to achieve equal pay in the medium term. The levers used to bridge the gender gap translate into actions and initiatives that influence all phases of the journey of women in the organisation: from entry into the workforce, through to development into positions of responsibility, paying attention to balancing the work impact on life in the most important moments (becoming parents and/or personal/family care). Gender pay equity is determined by comparing the salaries of male and female employees with similar qualifications<sup>5</sup>. This involves calculating the ratio of average fixed and total compensation for male employees to that of female employees, both at the Group and Italian levels. The total pay ratio includes all Group employees.

<sup>5</sup> Key Managers and Blue-collar Workers are therefore excluded.



GROUP % (men vs women)	Fixed remuneration			Total target remuneration		
	2025	2024	2023	2025	2024	2023
Pay ratio totale	101	100	99	104	104	103
Senior Manager	102	101	106	103	101	107
Middle Managers and Professionals	103	101	100	105	103	103
Specialist	105	103	101	106	104	102

The data show a substantial alignment between the remuneration of the male and female population in line with our objectives (101% with reference to fixed remuneration and 104% with reference to total remuneration). The detailed analysis shows a trend towards alignment even in the similar categories both as a result of our actions on development and remuneration levers to reduce the gender pay gap, and due to the different combination of new hires and exits. The figure on total remuneration is calculated as the sum of the gross annual remuneration and the short-term target remuneration for each year. It should be noted that, also considering the CEO, the gender pay gap on fixed remuneration is 105% (104% in 2024).

The following table shows data relating exclusively to Italy, where the majority of the Group's employees are based (74%). Also in this case, there is a substantial balance at the overall level (100% with reference to fixed remuneration and 105% with reference to total remuneration). It should be noted that, also considering the Chief Executive Officer, the gender pay gap on fixed remuneration is 105% (106% in 2024).

ITALY % (men vs women)	Fixed remuneration			Total target remuneration		
	2025	2024	2023	2025	2024	2023
Pay ratio totale	100	100	99	105	106	104
Senior Manager	101	101	106	102	101	107
Middle Managers and Professionals	103	102	102	106	105	105
Specialist	98	98	98	98	98	98

The pay ratio of the Chief Executive Officer's remuneration is indicated below, considering the fixed monetary remuneration and the total monetary remuneration (including the short-term variable component) pertaining to the reference year.

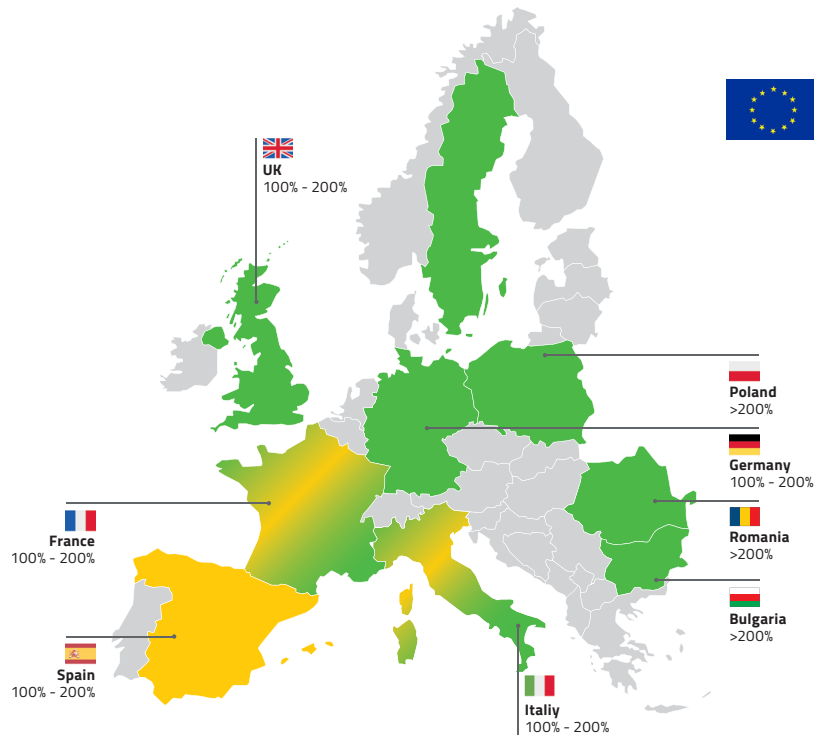
	Fixed remuneration <sup>(1)</sup>			Total target remuneration <sup>(2)</sup>		
	2025	2024	2023	2025	2024	2023
Average pay ratio of employees	20	21	19	28	29	26
Median pay ratio of employees	23	23	21	33	35	32

(1) With regard to the Chief Executive Officer, the fixed component consists of the remuneration resolved by the Shareholders' Meeting and the Remuneration resolved by the Board of Directors.

(2) This value consists of the fixed component as defined above and the value of the variable remuneration paid for each year as identified in graphs 3B for each year. identificato nelle tabelle 3B per ogni anno di competenza.

## Minimum wage

The ERG Group ensures that the principle of an adequate minimum wage is respected and is therefore committed to guaranteeing a decent wage for all its employees, essential for ensuring an adequate quality of life. Endorsement to this principle is ensured by recognising the value of collective bargaining with workers' representatives where present, and by compliance with existing national regulations on the topic of minimum wage. As shown in the chart below, it is confirmed that in the countries in which ERG operates, the minimum wage paid is well above the minimum required by law or by collective agreements where applicable.



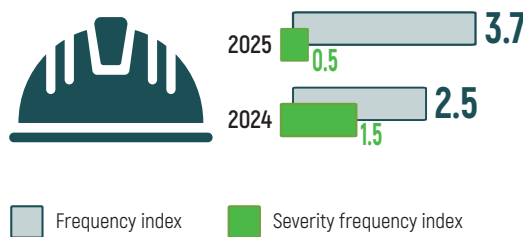
The graph shows the ratio between the minimum wage paid by ERG and the minimum wage envisaged by law and/or by the National Collective Labour Agreement, in each country in which ERG operates.

### The safety of our people

ERG believes that the full compatibility of its activities with the health and safety of the workers and the safeguard of communities, natural resources and the environment is an essential requirement to make its plants and operations acceptable and to achieve its growth objectives. Therefore, ERG is committed to ensuring that all Companies of the ERG Group operate with the highest respect for the health and safety of employees and third parties, as well as for the environment, defined in its broadest sense<sup>6</sup>. The importance of these principles is also reflected in our incentive systems with the inclusion of specific objectives related to the safety of our people, both in the short-term and medium-long term incentive systems, thus reinforcing the Group's concrete commitment to responsible and sustainable development.

During 2025, in accordance with the group's Business Plan, the increase in installed power in various countries continued, through construction activities (new plants and repowering of existing ones) and the acquisition of plants and projects under construction. These activities, together with the normal maintenance of the existing fleet, entail operational risks for the safety and health of the exposed personnel.

The accident rates for 2025 recorded the following final figures:



The frequency index recorded a slight increase compared with the 2022-24 three-year average, due not so much to a rise in the number of accidents recorded, but rather to a lower-than-expected total of hours worked. As regards the severe frequency index, we recorded an actual value of 0.53, significantly lower than the 2022-2024 three-year average of 1.7; this result is very positive, although it will naturally need to be consolidated over time. In 2025, unlike in 2024 when no accidents involving ERG personnel were recorded, four internal accidents occurred (two of which in Italy). Only in one case did the absence exceed thirty days; moreover, all four individuals have now returned to work regularly.

As regards the fatal accident that occurred in 2024 at the Salemi repowering site, investigations by the competent authorities are still ongoing and, consequently, the dynamics of the event have not yet been fully clarified. In this regard, it should be noted that, at present, ERG, companies of the ERG Group and/or their managers are not in any way involved.

<sup>6</sup> ERG Group Code of Ethics, most recently updated on 15 December 2023.



# INTRODUCTION

Pursuant to the provisions of Article 123-ter of the Consolidated Finance Act, the Report is divided into two sections.

## I. FIRST SECTION: REMUNERATION POLICY

The first section describes the 2026 Remuneration Policy and the procedures used for its adoption and implementation.

## II. SECOND SECTION: FEES PAID

The second section provides, for the individual members of the Board of Directors and the Board of Statutory Auditors, as well as for the Key Managers, in aggregate form:

- a) a suitable description of each of the items that make up the remuneration, including the indemnities due in the event of termination of office or discontinuation of the employment relationship, showing their consistency with the 2025 Remuneration Policy and the ways in which the remuneration contributes to the Company's long-term results;
- b) a statement of the fees paid in financial year 2025, for whatsoever reason and in any form, by ERG and its subsidiaries or associated companies, indicating any components of the said fees that are attributable to the activities carried out in previous years and highlighting also the fees to be paid in one or more subsequent periods for activities performed in the reference year, possibly indicating an estimated value for the components not objectively quantifiable in the reference year.

The 2026 Remuneration Policy was approved by the Board of Directors on 11 March 2026, at the proposal of the NRC, having obtained the favourable opinion of the Board of Statutory Auditors. On the same date, the Board of Directors approved the Report, after prior assessment by the CRSC.

The Shareholders' Meeting called to approve the Financial Statements at 31 December 2025 is called upon to express its views on the Report with:

- ✓ a binding vote on the 2026 Policy, as described in the First section
- ✓ an advisory vote on the Second section.

The text of this Report is made available to the public, within the time frame set by current legislative and regulatory provisions, at the Company's registered office in Genoa, Via De Marini 1, on the Company's website ([www.erg.eu](http://www.erg.eu)) in the "Corporate Governance/2026 Shareholders' Meeting" section, at Borsa Italiana S.p.A. ([www.borsaitaliana.it](http://www.borsaitaliana.it)), and on the authorised storage platform eMarket Storage ([www.emarketstorage.it](http://www.emarketstorage.it)).



# SECTION I: 2026 REMUNERATION POLICY

## 1. EVOLUTION OF APPROACH

In line with the best practices at that time, by means of the Board of Directors' resolution of 20 December 2011 ERG adopted for the first time its own Remuneration Policy, effective from 2012. Initially, the Company developed its Policy independently, without referencing other companies' remuneration policies.

Over the years, the Policy has undergone several revisions aimed at incorporating, in particular, (i) organisational changes, (ii) new laws and regulations, (iii) the recommendations of the Corporate Governance Code, and (iv) national and international best practices.

The most recent revisions of the Policy took place:

- on 12 March 2024, in order to (i) increase transparency regarding the incentive strategy of the 2024-2026 Performance Share Plan and the ex post achievement of incentive system objectives, (ii) provide additional details on the relationship between the fixed remuneration of the Chief Executive Officer and that of ERG Group employees, and (iii) offer further transparency on both gender pay equity and the actions taken to ensure it.

- on 11 March 2025, in order to introduce greater transparency and align the 2024-2026 Performance Share Plan with the Updated Business Plan, with the aim of (i) strengthening the alignment between the interests of the beneficiaries of the 2024-2026 Performance Share Plan and those of shareholders in creating sustainable value, and (ii) ensuring an adequate level of incentive to achieve the ERG Group's growth objectives and to retain key resources.

For the purposes of these latest revisions, the Company – in line with its previous approach – also took into consideration certain remuneration policies of non-financial companies included in the FTSE MIB and FTSE Mid Cap indices, with the support of the consultancy firm TEHA Group.

## 2. PARTIES INVOLVED

In keeping with relevant legislative and regulatory provisions in force and the recommendations of the Corporate Governance Code, the decisions behind the implementation of the 2026 Remuneration

Policy and the responsibility for its correct implementation are the result of a joint process involving numerous parties that take part in the decision-making process, as described in detail in this document.

### Bodies involved and areas of responsibility

Parties	Supports	Proposes	Expresses an opinion	Resolves
<b>Directors (Compensation)</b>	NRC - Board of Directors <sup>(1)</sup>	Shareholders		Shareholders' Meeting
<b>Executive Directors and/or Directors holding specific offices (Remuneration)</b>	Chief Human Capital & ICT Officer	NRC	Board of Statutory Auditors	Board of Directors
<b>Chief Executive Officer (Remuneration)</b>	Chief Human Capital & ICT Officer	NRC	Board of Statutory Auditors	Board of Directors
<b>Key Managers<sup>(2)</sup></b>	Chief Human Capital & ICT Officer	CEO and EDC	NRC	CEO <sup>(3)</sup>
<b>Board of Statutory Auditors</b>	NRC - Board of Directors <sup>(1)</sup>	Shareholders		Shareholders' Meeting

(1) The Italian Committee for Corporate Governance recommends that the Board of Directors verifies, in particular, that the amount of remuneration paid to non-executive directors is appropriate with respect to the skills, professionalism and commitment required of their office.

(2) The remuneration of the Manager responsible for preparing the company's financial reports is defined by the Board of Directors, after consulting the NRC and the Board of Statutory Auditors, with the support of the Chief Human Capital & ICT Officer.

(3) In the event that the decision falls within the scope of application of the Procedure, it would fall to the Board of Directors to make the decision.



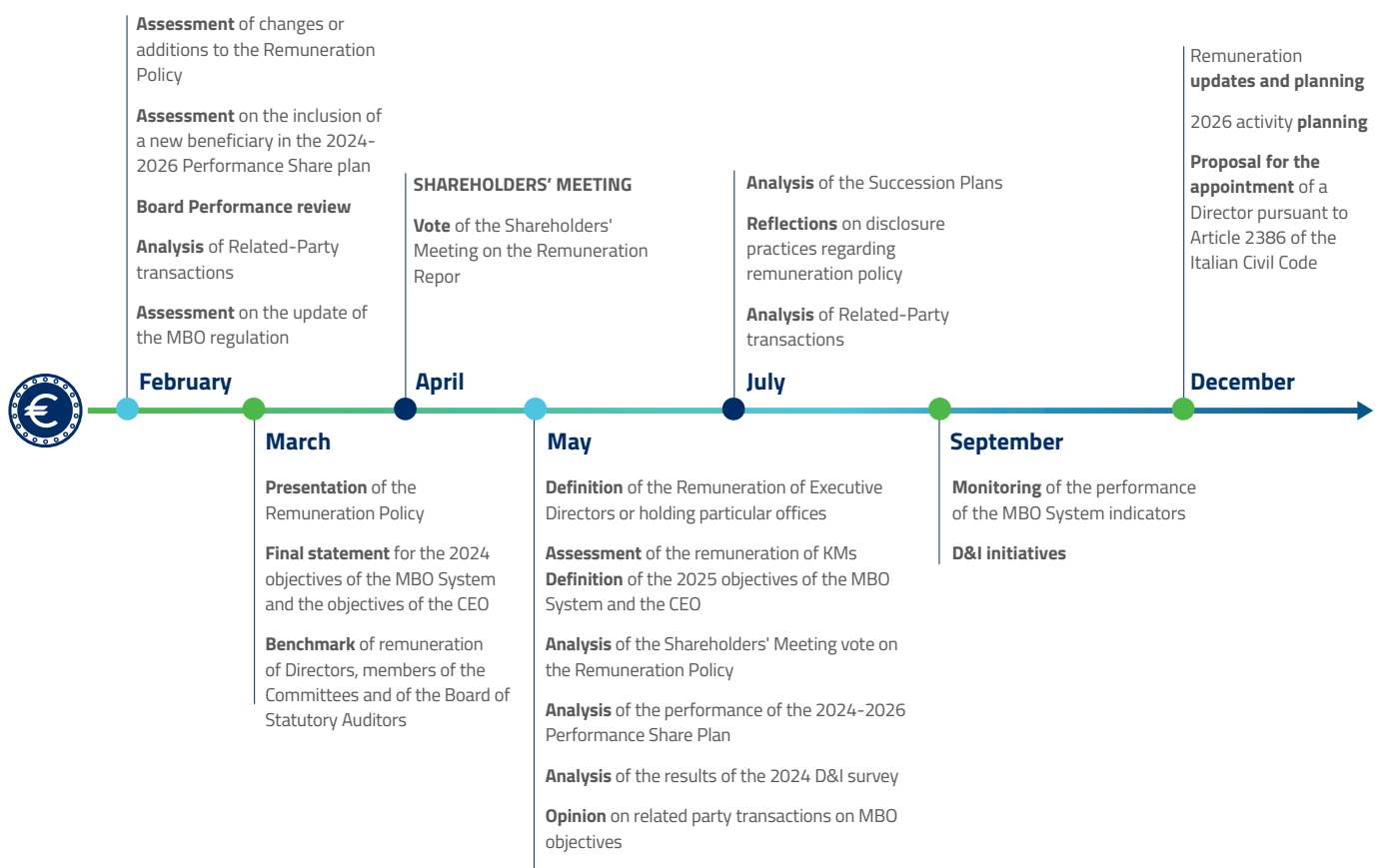
## 2.2 NOMINATIONS AND REMUNERATION COMMITTEE

The Nominations and Remuneration Committee consists of three non-executive directors, all independent pursuant to the CFA and the Corporate Governance Code, with suitable experience of financial issues and remuneration policies.

The Committee meets at least quarterly. All members of the Board of Statutory Auditors participate in the meetings. Upon invitation, the Chairman of the Board of Directors, the Executive Deputy Chairman and the Chief Executive Officer may also attend, as they are competent to contribute to the matters discussed and to identify the most appropriate actions to address situations that may also be potentially

critical. Directors do not take part in the meetings of the NRC where proposals are made to the Board of Directors related to their own remuneration. Employees of ERG Group companies, representatives of the independent auditors and, in general, persons whose presence is believed to be necessary or advisable for the discussion of the items on the agenda may also be invited to attend Committee meetings. During 2025 the Committee met 7 times with a 100% attendance rate of its members and an average meeting duration of 1 hour and 37 minutes.

### 2025 work schedule of the Nominations and Remuneration Committee and significant events concerning the Remuneration Policy



With regard to the remuneration of the **Board Directors**, the Committee:

- regularly assesses the suitability, overall consistency and practical application of the Remuneration Policy, reporting to the Board of Directors;
- submits proposals or expresses opinions to the Board of Directors concerning the remuneration of the Executive Directors or Directors holding special positions as well as, if necessary, concerning the remuneration of the Directors who are members of the Strategic Committee, when they are not employees of the Group and do not sit on the Board of Directors;
- submits proposals or expresses opinions to the Board of Directors on the setting of the corporate and sustainability targets linked to the variable component of the short and medium/long-term incentive systems;

- monitors the implementation of the decisions adopted by the Board of Directors, verifying the actual achievement of corporate and sustainability objectives in relation to short and medium/long-term variable remuneration systems.

With regard to the remuneration of **Key Managers**, the Committee:

- regularly assesses the suitability, overall consistency and practical application of the Remuneration Policy;
- expresses opinions to the Chief Executive Officer and to the Board of Directors<sup>7</sup> on their remuneration;
- submits proposals or expresses opinions to the Chief Executive Officer and to the Executive Deputy Chairman on the setting of the corporate and sustainability targets linked to the variable

<sup>7</sup> In the event that the decision falls within the scope of application of the Procedure, it would fall to the Board of Directors to make the decision.



component of the short and medium/long-term incentive systems, so that the Board of Directors may pass resolutions in this regard;

- verifies the actual achievement of the corporate and sustainability targets in the short and medium/long-term variable remuneration systems.

The Committee is actively involved in defining the variable short and medium/long-term incentive systems, and expresses opinions and provides suggestions on succession policies for the top positions within the Group and on the Diversity & Inclusion policies.

Further information on the composition, skills and operating methods of the NRC can be found in the Regulations for the operation of the Board of Directors, the Control, Risk and Sustainability Committee and the Nominations and Remuneration Committee, made available to the public on the Company's website ([www.erg.eu](http://www.erg.eu)).

### 3. STRUCTURE OF THE 2026 REMUNERATION POLICY

The 2026 Policy establishes guidelines for determining the remuneration of members of the Board of Directors, members of the Board of Statutory Auditors and Key Managers.

This policy (i) is consistent with the corporate governance model adopted by the Company and with the recommendations of the Corporate Governance Code, in that it provides that the remuneration of Directors, members of the Board of Statutory Auditors and Key Managers is functional to the pursuit of the Company's sustainable success; (ii) takes into account the need to employ, retain and motivate people with the skills and professionalism required by the role they hold; and (iii) promotes actions and behaviours in line with the Company's values and culture, in compliance with the principles of equal opportunities, enhancement of people's knowledge and professionalism, fairness, non-discrimination and integrity set forth in the Code of Ethics.

The 2026 Policy lasts one year and is structured differently according to whether it deals with the remuneration of members of the Board of Directors, members of the Board of Statutory Auditors or Key Managers.

#### 3.2 BOARD OF DIRECTORS

##### 3.2.1 Fees

The Shareholders' Meeting is called upon to resolve, at the proposal of the shareholders, on a fixed annual fee to be awarded to all members of the Board of Directors and an additional fixed annual fee to be awarded to directors called to sit on the NRC and the CRSC.

The Board of Directors recommends that these fees are consistent with the professional commitment required by the office, as well as with the related responsibilities, and that the fee proposals be presented by the Shareholders (where appropriate, also pursuant to Article 126-bis of the Consolidated Finance Act) in such a way as to allow disclosure to the public sufficiently in advance with respect to the Shareholders' Meeting called upon to approve them.

The Board of Directors expects that, in the best interest of the Company, the Shareholders' Meeting will be called to resolve, at the proposal of the shareholders, on the annual fixed compensation for a three-year period.

Further to the recommendations of the Italian Committee for Corporate Governance, the Board of Directors, with the support of the NRC, assessed as more than adequate the annual fixed remuneration paid, for the three-year period 2024-2026, to all the members of the Board of Directors and to the directors called to form part of the NRC and the CRSC, using as reference in particular non-financial companies included in the FTSE MIB and the FTSE Mid Cap, taking into account the professionalism and commitment required by their position. This benchmark, with reference to non-financial companies included in the FTSE Mid Cap index, indicates that the remuneration of directors, as well as that of the Chairwoman of the NRC and the Chairwoman of the CRSC, is above the 90th percentile.

#### Remuneration of Directors and Committee members<sup>8</sup>

Member of the Board of Directors	
EUR 70,000	
Control, Risk and Sustainability Committee	Nominations and Remuneration Committee
EUR 45,000	EUR 35,000

#### 3.2.2 Remuneration

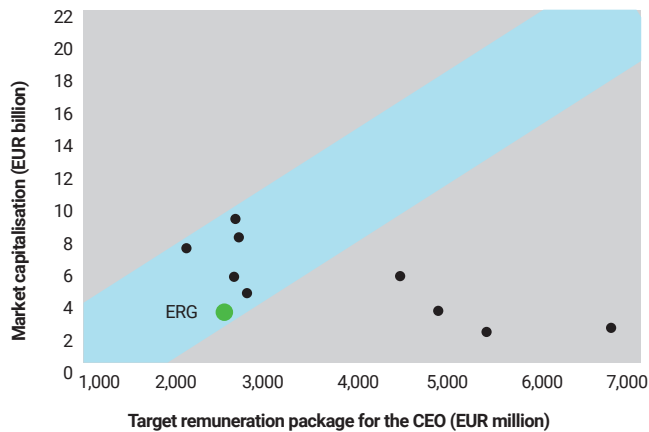
The remuneration paid to the Executive Directors or Directors holding special offices shall be such as to attract, retain and motivate highly qualified individuals and aims at assigning a value to their skills, in line with the contribution demanded by the position held and the risk related to the powers granted.

The total remuneration amount and its target composition is determined through a comparative analysis of the corporate offices held within a panel made up of Italian companies from the FTSE MIB and the FTSE Mid Cap in the Industry sector comparable to ERG in terms of (i) capitalisation, (ii) shareholding structure, (iii) system of powers and complexity, (iv) the Chief Executive Officer of which is not the reference shareholder.

The Peer Group has been updated compared with the 2025 Policy, taking into account: (i) the expected delisting of Iveco in 2026; and (ii) the fact that Leonardo and Prysmian exceeded, in 2025, the capitalisation thresholds established by the methodological criteria used to define the Peer Group. The companies that make up the panel are: Amplifon, Brembo, Brunello Cucinelli, De' Longhi, Italgas, Maire Tecnimont, Pirelli, Recordati, Saipem, Telecom Italia and Technogym. Within this, two distinct Peer groups have been formed in relation to the level of powers granted: one for the Chief Executive Officer who is not a controlling shareholder and one for the other Executive Directors.

<sup>8</sup> Approved for the financial years 2024-2025-2026 by the shareholders' meeting of 23 April 2024.

### Positioning of the CEO package with respect to peers



In the face of external events (such as, for example, changes in the capitalisation, the shareholding structure, the delegation system and/or the complexity of the companies that make up the panel) that may render the peer groups no longer suitable to be used as benchmarks, the Board of Directors, upon the proposal of the Nominations and Remuneration Committee, having consulted the Board of Statutory Auditors, may resolve to change the companies that make up the panel.

#### Fixed component

The Board of Directors, on proposal of the NRC, with the support of the CHCO, after consulting the Board of Statutory Auditors, approves the award of a fixed annual remuneration to the Executive Directors or the Directors holding special positions.

The Board of Directors, again at the proposal of the NRC, with the support of the CHCO, after consulting the Board of Statutory Auditors, may provide for an annual fixed remuneration to be awarded to the Directors called to sit on the Strategic Committee when these are not employees of the Group and do not sit on the Board of Directors. Their remuneration is, therefore, not linked to the Company's operating results.

The Board of Directors determines that, in the Company's best interest, the fixed annual component will be set on a three-year basis.

The amount of the fixed annual remuneration is such as to remunerate the responsibilities, the skills and the contribution demanded by the position, is sufficient to remunerate the activity carried out in the event the variable component is not paid out and, where appropriate, ensures retention through continuous market benchmarking.

The Board of Directors' meeting of 15 May 2024, on the proposal of the NRC, with the support of the CHCO, having heard the opinion of the Board of Statutory Auditors, resolved to assign a fixed annual remuneration for the three-year period 2024-2026 to the Executive Directors or Directors assigned specific roles in the following amount:

Office	Fixed annual remuneration
Chairman Edoardo Garrone	EUR 640,000
Executive Deputy Chairman Alessandro Garrone	EUR 930,000
Deputy Chairman Giovanni Mondini	EUR 140,000
Chief Executive Officer Paolo Luigi Merli	EUR 1,080,000

The aforementioned resolutions are an integral part of the 2026 Policy.

#### Variable component

The Board of Directors, at the proposal of the NRC, with the support of the CHCO, after consulting the Board of Statutory Auditors, approves the award of a variable annual remuneration to the Chief Executive Officer and Executive Deputy Chairman, according to the powers held and their strategic importance in terms of achieving the objectives of the Business Plan and the ESG Plan.

In the interest of the Company, the Board of Directors plans to define the variable annual remuneration on a three-year basis.

The variable annual remuneration for the **Chief Executive Officer** is divided into two distinct and closely linked elements with a view to sustainability in the medium to long-term and is awarded in accordance with the provisions of the MBO System and the 2024-2026 LTI System.

The variable remuneration of the **Executive Deputy Chairman** is exclusively medium to long-term and is awarded in accordance with the provisions of the 2024-2026 LTI System.

The amount of the variable component at target value is set taking into account external remuneration benchmarks and the strategic importance of the position held, and is linked to the creation of sustainable value in the medium/long-term.

The Board of Directors of 15 May 2024, at the proposal of the NRC, with the support of the CHCO, after consulting the Board of Statutory Auditors, approved for the three-year period 2024-2026 the award of a variable annual remuneration to the Chief Executive Officer and Executive Deputy Chairman, according to the powers held and their strategic importance in terms of achieving the objectives of the Business Plan and the 2024-2026 ESG Plan. The aforementioned resolutions are an integral part of the 2026 Policy.

#### 3.2.2.1 MBO System

The 2026 Policy provides for a short-term monetary incentive for the Chief Executive Officer (MBO System).

Generally speaking, the MBO System aims to incentivise participants to achieve annual targets.

The system provides for the **allocation of structured performance targets** as a percentage of the target incentive amount assigned:

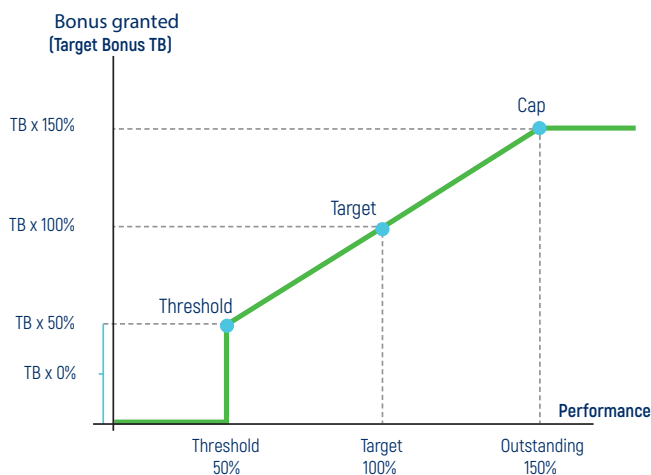
- 50% linked to the Group's consolidated EBT<sup>9</sup> forecast for the year 2026 ("EBT target")
- 20% linked to the Group's sustainability target ("Sustainability Target")
- 30% linked to economic/financial growth targets (installed production capacity in MW) ("Growth Target")

**The EBT target** (weight 50%) has variability between 0% and 150%, structured as follows:

- Indicator score < minimum threshold: no amount paid;
- Indicator score = minimum threshold: 50% of the target bonus is paid;
- Indicator score = target: 100% of the target bonus is paid;
- Indicator score ≥ maximum threshold: 150% of the target bonus is paid;
- Indicator score between minimum and maximum threshold: the pay out is calculated by linear interpolation.

<sup>9</sup> Consolidated earnings before adjusted IAS taxes.

### Variability model of the Group consolidated EBT target



The **Sustainability Objective** (weight 20%), the indicators of which are the same for all beneficiaries of the MBO System, sets out on an annual basis the sustainability objectives defined in the ESG Plan.

MBO Chief Executive Officer		Weight CEO	Unit
<b>Sustainability Objective</b>		<b>20%</b>	
<b>Planet</b>	Circular Wind: Repowering recovery materials or energy	4%	%
<b>Engagement</b>	Social Purpose for Solar Revamping (number of projects completed)	3%	no.
<b>People</b>	Safety Always- HSE: No fatalities and compliance with Frequency Indices [internal + contractors]: combined [FI] and severe [FISev]	10%	Index
	Impact of the female gender on workforce growth	3%	%

The **Growth Target** (weight 30%) is a target correlated to the increase, over the year, of production capacity.

The Sustainability Target and the Growth Target have variability between 0% and 120%, structured as follows:

- Indicator score < minimum threshold: no amount paid;
- Indicator score = minimum threshold: 80% of the target bonus is paid;
- Indicator score = target: 100% of the target bonus is paid;
- Indicator score ≥ maximum threshold: 120% of the target bonus is paid;
- Indicator score between minimum and maximum threshold: the pay out is calculated by linear interpolation.

In view of the Chief Executive Officer's participation in the MBO System, the values of the indicators linked to all the targets are defined in their target, threshold and cap values and finalised by the Board of Directors, at the proposal of the NRC, with the support of the CHCO, after consulting the Board of Statutory Auditors.

In general, the targets assigned will not be modifiable, except in significant unforeseeable cases (e.g. significant changes in the scope). In particular, exogenous factors (e.g. legislative changes, price trends, accidental events, etc.) must not be neutralised in the final balance, except in unforeseeable

significant cases. In the aforementioned cases, the Board of Directors, at the proposal of the Nominations and Remuneration Committee, after consulting the Board of Statutory Auditors, may resolve to modify the indicators and/or targets<sup>10</sup>. Any changes must safeguard the principles and the guidelines according to which the MBO System was formulated, by not introducing undue advantages or penalties either as regards the beneficiaries of the MBO System or as regards ERG.

The MBO System also provides for the following clauses:

- **clawback clause**, i.e. the right of the Company to request the partial or total return of the consideration paid, or to withhold deferred sums, within three years of their accrual, where the same is determined on the basis of data which, in the opinion of the Company, is subsequently revealed to be manifestly incorrect or the result of manipulation or serious violations of the Code of Ethics ascertained by the Board of Directors and/or unlawful conduct.
- **clause** in respect of which the **termination of the mandate** in the period of accrual of the bonus results in the loss of the right to the payment of the consideration deriving from the MBO System, without prejudice to the possibilities of (i) having reached the retirement requirements and (ii) the "good leaver" termination<sup>11</sup> of the Chief Executive Officer. Upon the occurrence of situations detailed above, the beneficiary will be paid a consideration in proportion to the duration of the mandate in the vesting period.

The aforementioned elements are detailed in the regulations approved by the Board of Directors at the proposal of the Nominations and Remuneration Committee, subject to the opinion of the Board of Statutory Auditors (the "MBO Regulations").

The Board of Directors' meeting of 15 May 2024, on the proposal of the NRC, with the support of the CHCO, having heard the opinion of the Board of Statutory Auditors, resolved, for the three-year period 2024–2026, the participation of the CEO Paolo Luigi Merli in the MBO System for an annual target value of EUR 650,000. In the scenario of simultaneously reaching the cap of each objective (EBT 150%, Sustainability Index 120%, Growth 120%), the maximum amount that could be disbursed would be EUR 887,500, or 135% of the target. The aforementioned resolution is an integral part of the 2026 Policy.

#### 3.2.2.2 2024–2026 Performance Share Plan

The 2024–2026 LTI Plan has been structured to ensure the maximum alignment of the interests of the beneficiaries with the pursuit of the priority objective of the creation of sustainable value for the Shareholders over the medium/long-term. Note that the time horizon of the 2024–2026 LTI Plan is aligned with the three-year mandate (relative to the years 2024–2026) of the Board of Directors appointed by the Shareholders' Meeting of 23 April 2024.

The 2024–2026 LTI Plan provides for the allocation of a predefined number of Shares, free of charge (hereinafter "Performance Shares"), at the end of a three-year vesting period, subject to the attainment of a predetermined minimum economic performance ("**Minimum Financial Performance Condition**").

The number of Shares Assigned at plan inception subject to vesting is determined by the ratio between the three-year base monetary value assigned to each participant and the Share allocation price ("**Target Price**") of EUR 25 p/sh.

<sup>10</sup> In the event that the applicable conditions occur, revisions will be made within the provisions of Article 123-ter of the Consolidated Finance Act in accordance with the Procedure for transactions with related parties.

<sup>11</sup> Such as, by way of example, resignation for just cause or revocation without just cause.

The Minimum Financial Performance Condition parameter was determined by the Board of Directors, within the scope of the resolution of the Shareholders' Meeting of 23 April 2024, and is equal to 85% of the Group's cumulative EBITDA for the financial years 2024, 2025 and 2026 on the basis of the provisions of the Business Plan.

In the event that the **Minimum Financial Performance Condition is not met, the Performance Shares will not be allocated** to the beneficiaries of the 2024-2026 LTI Plan.

The 2024-2026 LTI Plan also envisages that upon achievement of the Minimum Financial Performance Condition, the Shares that can be allocated may vary up to a predefined maximum percentage (cap) of the Shares Assigned, based on the performance of the following KPIs (the "Targets"):

- **60%** price of the ERG share (the "Share Price")
- **20%** sustainability target ("LTI Sustainability Target")
- **20%** growth target ("LTI Growth Target")

With regard to the **Share Price (60%)**, the incentive strategy envisages the following performance scenarios:

- in the event that the price of the Shares is equal to or less than the Target Price, set at EUR 25 p/sh, the Shares Allocated will be equal to 60% of the Shares Assigned;
- in the event that the price of the Shares is equal to EUR 27 p/sh, the Shares Allocated will be equal to 70% of the Shares Assigned;
- in the event that the price of the Shares is equal to EUR 30 p/sh, the Shares Allocated will be equal to 140% of the Shares Assigned;
- in the event that the price of the Shares is equal to or greater than the Cap Price, set at EUR 32.5 p/sh, the Shares Allocated will be equal to 220% of the Shares Assigned;
- in the event that the price of the Shares is between the Target Price and the Cap Price, the Shares will be allocated following an interpolation strategy.

The **LTI Sustainability Target (20%)**, outlines the sustainability objectives defined in the ESG Plan and consists of the following sub-indicators:

2024-2026 LTI		Indicator weight	Unit
<b>Sustainability Objective</b>		<b>20%</b>	
<b>Planet</b>	Target Net Zero: percentage of Green Energy out of Total consumption (Scope 2)	4%	%
<b>Engagement</b>	Improved S&P CSA index rating		no.
<b>People</b>	Safety Always- HSE: No fatalities and compliance with Frequency Indices [internal + contractors]: combined [FI] and severe [FISev]	8%	no.
	Diversity & Inclusion: female Key Leaders out of total Key Leaders	2%	%
<b>Governance</b>	Sustainable Funding: maintenance of a percentage of sustainable loan sources out of total financial sources	2%	no.

For each target, a Floor value, a Target value and a Cap value are identified.

The incentive strategy for the sustainability target includes the following performance scenarios:

- Score indicator < floor: the Shares Allocated are equal to 0% of the Shares Assigned relating to this indicator;
- Score indicator = target: the Shares Allocated are equal to 20% of the Shares Assigned;
- Score indicator ≥ cap: the Shares Allocated are equal to 40% of the Shares Assigned;
- Score indicator between target and cap: the Shares allocated are determined by linear interpolation.

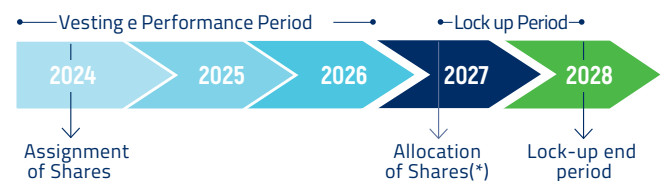
With regard to the **Growth Targets (20%)**, the incentive strategy envisages the following performance scenarios:

- Score indicator < floor: the Shares Allocated are equal to 0% of the Shares Assigned relating to this indicator;
- Score indicator = 100% of the target: the Shares Allocated are equal to 20% of the Shares Assigned;
- Score indicator ≥ cap: the Shares Allocated are equal to 40% of the Shares Assigned;
- Score indicator between target and cap: the Shares allocated are determined by linear interpolation.

The economic value of the Minimum Financial Performance Condition, the Target Price, the Share Price, the Targets and the value of the related indicators in each performance scenario (threshold, target and cap) were determined and approved by the Board of Directors, on the proposal of the NRC, with the support of the CHCO and after hearing the opinion of the Board of Statutory Auditors, on 15 May 2024.

The Shares Assigned will vest and become Allocable Shares following the approval by the Shareholders' Meeting of the financial statements at 31 December 2026 and the verification by the Board of Directors, upon the proposal of the NRC, with the support of the CHCO, having heard the opinion of the Board of Statutory Auditors, the fulfilment of the Minimum Financial Performance Condition and the level of performance of each Target (Price Target, LTI Growth Target and LTI Sustainability Target).

At the end of the vesting period, **30% of the Shares** that can be allocated will be subject to an additional **lock-up period of twelve months**, which will conclude in 2028, during which said Shares are subject to the non-transferability constraint.



(\*) If the Minimum Financial Performance Condition is met

The shares set aside to service the 2024-2026 LTI Plan consist of Treasury Shares in portfolio.

The 2024-2026 LTI Plan includes the following clauses:

- **clawback clause**, according to which, if objective circumstances arise, from which it appears that, in the Company's opinion, the data based on which the Minimum Economic Performance Condition had been assessed, on which the vesting of the Shares that may be allocated, and/or the Share Price and Targets, are conditional, were clearly incorrect, or the result of manipulation or unlawful conduct, the Company may withdraw the right of beneficiaries to the allocation of the Shares, in whole or in part, resulting in the final lapse of any right of the beneficiaries in this regard, or ask the beneficiaries to reimburse, in whole or in part, an amount equivalent to the benefit received as a result of the allocation of the Shares. The clawback clause can be exercised by the Company

within three years of the approval by the Shareholders' Meeting of the financial statements at 31 December 2026.

- clauses** defining the consequences deriving from the **termination of the employment relationship and/or mandate** by the beneficiaries under the 2024-2026 LTI Plan; in particular, (i) in "bad leaver"<sup>12</sup> situations it is envisaged that the beneficiary will lose the right to any allocation of Shares at the end of the vesting period, while (ii) in "good leaver"<sup>13</sup> situations it is envisaged that if the Minimum Financial Performance Condition is met, the Shares will be allocated in proportion to the duration of the employment relationship/mandate.
- clause for the revision of the performance targets.** The 2024-2026 LTI Plan has a multi-annual time span. It is therefore possible that events may occur (either inside or outside of the ERG group) that may affect the consistency of the plan's incentive strategy, limiting its ability to fulfil the purposes for which it was designed. As a general rule, these events are due, in particular, to two cases: (i) a change in scope of ERG and the ERG Group; and (ii) a significant change in the macro-economic and/or business scenarios or other extraordinary events<sup>14</sup>. With regard to such events, the Board of Directors, at the proposal of the NRC, having heard the opinion of the Board of Statutory Auditors, in compliance with what will be resolved upon at the Shareholders' Meeting on 23 April 2024<sup>15</sup>, may review the incentive strategy, modifying the basic performance scenarios (i.e. Minimum Financial Performance Condition, Target Price, Cap Price, LTI Sustainability Target and LTI Growth Target) to take account of the above-mentioned events. Any changes made must safeguard the principles and guidelines, which form the basis of the 2024-2026 LTI Plan, and not introduce any undue benefits or penalties for either the beneficiaries of the 2024-2026 Performance Share Plan or for ERG or its shareholders.

On 15 May 2025, the Board of Directors, upon proposal of the NRC and following consultation with the Board of Statutory Auditors, in accordance with the resolution adopted by the Shareholders' Meeting of 23 April 2024, approved the adjustment of the Growth Target of the 2024-2026 LTI Plan to align it with the growth objectives set out in the Updated Business Plan. As part of a revision of the corporate strategy for the years 2025 and 2026, the Updated Business Plan provides for a reduction in the projected growth in installed MW, in line with a "Value over Volume" approach, as detailed in the press release issued to the market on 11 March 2025. This resolution is in accordance with the provisions set out in the information document relating to the 2024-2026 LTI Plan, approved by the Shareholders' Meeting of ERG S.p.A. on 23 April 2024, and in the related regulation approved by the Board of Directors of ERG S.p.A. on 15 May 2024.

On 15 May 2024, the Board of Directors, at the proposal of the NRC, after consulting the Board of Statutory Auditors, resolved to assign the long-term incentive, regulated by the 2024-2026 Performance Share Plan, to:

- the Executive Deputy Chairman (Alessandro Garrone) in the measure of 42,000 Shares for three years.
- the Chief Executive Officer (Paolo Luigi Merli) in the measure of 144,000 Shares for three years,

In the scenario of simultaneous achievement of the Minimum Financial Performance Condition, the Cap Price of the Share Price and the maximum performance level (Cap) of the LTI Growth Target and the LTI Sustainability Target, the number of Shares that can be allocated at the end of the plan would be equal to:

- Executive Deputy Chairman (Alessandro Garrone) 126,000 shares, 37,800 of which subject to a 12-month lock-up constraint;
- Chief Executive Officer (Paolo Luigi Merli) 432,000 shares, of which 129,600 subject to a 12-month lock-up constraint.

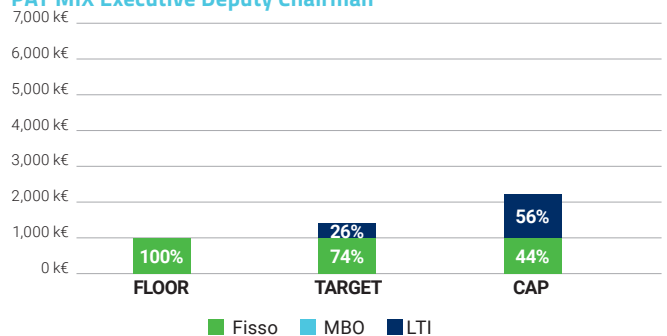
### 3.2.3 Remuneration balancing

The balancing between the fixed and the variable remuneration components aims to align the interests of their beneficiaries with the medium/long-term strategic objectives of the Company, ensuring the creation of sustainable value for the Shareholders in compliance with the ERG Group risk management policy.

The remuneration amount and the total annual fixed/variable balance are commensurate with the commitment required of each beneficiary, by the system of powers, conferred by the Board of Directors, and by the significance of these with respect to achieving the objectives of the Business Plan and the ESG Plan. The system provides for a greater weight of the variable component for roles that have a greater impact on company results.

The remuneration package of the **Executive Deputy Chairman** in the target scenario provides for the medium/long term variable component (2024-2026 Performance Share Plan) in its annualised amount to account for 26% of the total annual remuneration and 35% of the fixed annual remuneration.

#### PAY MIX Executive Deputy Chairman<sup>16</sup>



The remuneration package of the **Chief Executive Officer** in the target scenario provides that 62% of the total remuneration, in its annualised amount, is linked to the achievement of objectives defined ex-ante (pay for performance).

<sup>12</sup> Such as, by way of example: revocation or non-renewal of the office of director for just cause; resignation for any reason other than just cause.

<sup>13</sup> Such as by way of example: revocation or failure to renew the office of director in the absence of just cause; resignation for just cause; death or physical or mental incapacity due to illness or injury resulting in inability to work for more than six months; loss of the status of subsidiary company by the employer company of the Beneficiary.

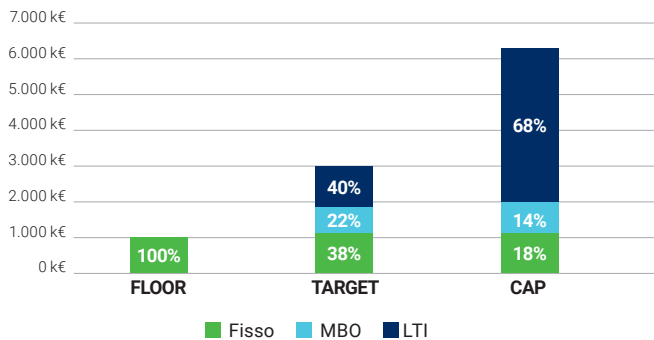
<sup>14</sup> In the event that similar events occur, any revisions will be made within the provisions of Article 123-ter of the Consolidated Finance Act taking account of the Procedure for transactions with related parties.

<sup>15</sup> Information Document available to the public at the registered office of the Company in Genoa, Via De Marini 1, on the Company website ([www.erg.eu](http://www.erg.eu)) in the "Governance/Remuneration Report" section, at Borsa Italiana S.p.A. and on the authorised storage mechanism eMarket Storage ([www.emarketstorage.it](http://www.emarketstorage.it)).

<sup>16</sup> The target value of the long-term component was determined by multiplying the target price (EUR 25 p/sh) by the number of Shares Assigned. The cap value of the long-term component was determined by multiplying the Cap Price by 300% of the number of Shares Assigned, assuming the simultaneous achievement of the Cap Price (EUR 32.5 p/sh), the cap value of the growth target, and the cap value of each sustainability indicator.

The long-term variable component (2024-2026 Performance Share Plan), in its annualised amount, is equal to 40% of the total remuneration and equal to 104% of the fixed annual remuneration, while the short-term variable component (MBO System) is equal to 22% of the total remuneration and equal to 57% of the fixed annual remuneration.

#### PAY MIX Chief Executive Officer<sup>1617</sup>



#### 3.2.4 Non-monetary benefits and other compensation

The Shareholders' Meeting may resolve, at the proposal of the Shareholders, that all members of the Board of Directors be granted the right to receive certain non-monetary benefits (health care policy, insurance coverage for the risk of death and disability), the amount of which is withheld from the fixed annual remuneration, also approved by the Shareholders' Meeting.

The Board of Directors, at the proposal of the NRC, with the support of the CHCO, after consulting the Board of Statutory Auditors, may resolve to grant benefits such as cars and housing to Executive Directors or Directors holding special offices, which will not be withheld from the fixed annual fee or remuneration.

It should be noted that **no non-recurring remuneration is expected to be paid**. The instruments offered by the 2026 Policy ensure both the application of the "pay for performance" principle and the successful alignment between the interests of shareholders and management, which has been central to our history of business successes to date.

#### 3.2.5 Indemnity for early termination or non-renewal of office

The Board of Directors, at the proposal of the NRC, with the support of the CHCO, after consulting the Board of Statutory Auditors, may resolve to award to the Chief Executive Officer, as this is not an employee of the Company, an indemnity in the event of the early termination or non-renewal of the office subject to the following conditions:

- the amount of the indemnity, save for exceptional cases, cannot exceed the total amount of remuneration paid to the same under the relationship over a period of 24 months (calculated as the sum of the annual fixed component and the short-term variable component);
- the indemnity must be set in advance together with the total remuneration;

- the indemnity cannot be paid if the termination of the relationship is due to the achievement of objectively inadequate results, except for extraordinary events not attributable to the actions of the Chief Executive Officer;
- the corresponding resolution must be taken in line with the strategy, values and medium-long-term interests of the ERG Group.

The Board of Directors' meeting of 15 May 2024, on the proposal of the NRC, with the support of the CHCO, having heard the opinion of the Board of Statutory Auditors, in accordance with the 2024 Policy guidelines, resolved for the three-year period 2024-2026 to grant the Chief Executive Officer, as he is not an employee of the Company, an indemnity for early termination of his office or non-renewal of his office equal to the remuneration recognised over a period of 24 months of continuous employment and calculated as the sum of the annual fixed component and the variable component based on short-term targets. The aforementioned resolution is an integral part of the 2026 Policy.

No indemnity payments for termination of office are envisaged for the other executive and non-executive directors of the Board of Directors.

### 3.3 KEY MANAGERS

Key Managers, other than Directors and Statutory Auditors, have been identified in accordance with the law<sup>18</sup> as those who have the power and responsibility for, directly or indirectly, planning, managing and controlling the Company's activities and adopting decisions that may affect its evolution and future prospects.<sup>19</sup>

The remuneration policies established for the KMs are defined by the Chief Executive Officer and the Executive Deputy Chairman as part of the 2026 Policy, with the support of the CHCO and the favourable opinion of the NRC.<sup>20</sup>

#### 3.3.1 Remuneration

The remuneration paid to Key Managers shall be such as to attract, retain and motivate highly qualified individuals and is aimed at promoting their skills, in line with the contribution demanded by the position held, and at aligning their interests with the pursuit of the priority objective of the creation of sustainable value for the Shareholders over the medium/long-term.

Remuneration is divided into two components, one fixed and one variable. The variable component is related to the creation of value and aimed at achieving specific performance objectives that have been previously indicated and determined. It consists of two elements:

- short-term monetary incentive, based on a Management By Objectives (MBO) approach;
- medium to long-term incentive, based on the Performance Share, i.e., the allocation of shares linked to the achievement of specific multi-year objectives.

The target overall remuneration and the balance between the various components is determined through market analyses with reference to positions with the same level of responsibility and managerial complexity with respect to the national markets in the industry sector. Remuneration comparisons are carried out with the support of the consultancy firm Korn Ferry or similar companies of equal professional standing.

<sup>17</sup> The MBO cap value is calculated by multiplying the assigned target value and the maximum achievable performance (cap) of each target (EBT 150%, other targets 120%).

<sup>18</sup> Consob Regulation no. 17221/2010 of 12 March 2010 and subsequent amendments and additions.

<sup>19</sup> At the date of approval of this Report, the Key Managers other than Directors and Statutory Auditors are: Chief Corporate Strategy and M&A Officer, Chief Business Development, Engineering & Construction Officer, Chief Financial Officer, Chief Human Capital & ICT Officer, Chief Operating Officer, General Counsel.

<sup>20</sup> In the event that the decision falls within the scope of application of the Procedure, it would fall to the Board of Directors to make the decision.

### Fixed component

The amount of the fixed remuneration is commensurate with the commitment required of each beneficiary in the related position. The size of the fixed component is sufficient to remunerate the performance of Key Managers in the event that the variable part is not paid due to failure to achieve the performance targets.

### Short-term variable component

The short-term variable component for Key Managers is aimed at achieving specific targets, and is regulated by the MBO System.

### 3.2.2 MBO System

The MBO System aims to incentivise participants to achieve predetermined annual strategic objectives of an economic, financial and sustainability nature.

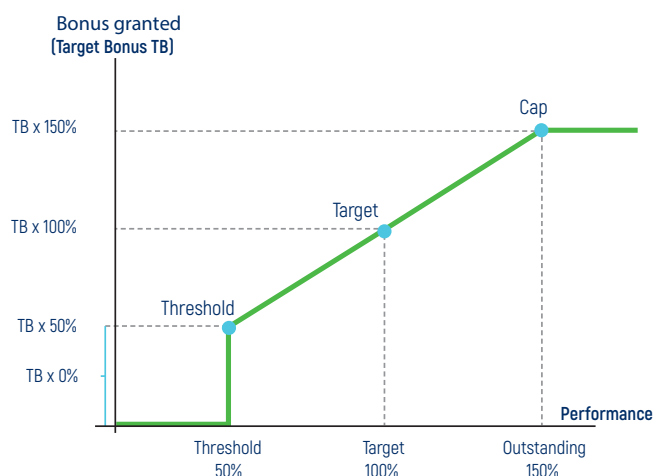
The system provides for the **allocation of structured performance targets** as a percentage of the target incentive amount assigned to each participant:

- 30% linked to EBT target: the same corporate target for all participants
- 10% connected to the Sustainability Target
- 60% linked to individual targets (maximum of 4) measured according to quantitative indicators linked to sustainability topics, economic and financial parameters (EBITDA, NFP, OpEx, etc.) and business development, organisational topics and/or specific projects (the "Individual Targets").

**The EBT target** (weight 30%) has variability between 0% and 150%, structured as follows:

- Indicator score < minimum threshold: no amount paid;
- Indicator score = minimum threshold: 50% of the target bonus is paid;
- Indicator score = target: 100% of the target bonus is paid;
- Indicator score ≥ maximum threshold: 150% of the target bonus is paid;
- Indicator score between minimum and maximum threshold: the pay out is calculated by linear interpolation.

### Variability of the Group consolidated EBT target



**The Sustainability Objective** (weight 10%), the indicators of which are the same for all beneficiaries of the MBO System, sets out on an annual basis the sustainability objectives defined in the ESG Plan.

MBO KMs		Weight	Unit
<b>Sustainability Objective</b>		<b>10%</b>	
<b>Planet</b>	Circular Wind – Repowering recovery materials or energy	2%	%
<b>Engagement</b>	Social Purpose for Solar Revamping (number of projects completed)	1,5%	no.
<b>People</b>	Safety Always-HSE: No fatalities and compliance with Frequency Indices [internal + contractors]: combined [FI] and severe [FISev]	5%	Index
	Impact of the female gender on workforce growth	1,5%	%

The **Individual Targets** (weight 60%) and the Sustainability Target (weight 10%), have variability between 0% and 120%, structured as follows:

- Indicator score < minimum threshold: no amount paid;
- Indicator score = minimum threshold: 80% of the target bonus is paid;
- Indicator score = target: 100% of the target bonus is paid;
- Indicator score ≥ maximum threshold: 120% of the target bonus is paid;
- Indicator score between minimum and maximum threshold: the pay out is calculated by linear interpolation.

It should also be noted that Key Managers are assessed on sustainability-related aspects both through the shared sustainability objective and through specific individual objectives relating to sustainability matters.

In view of the Chief Executive Officer's participation in the MBO System, the values of the indicators linked to the Sustainability Target and the EBT Target are defined in their target, threshold and cap values and finalised by the Board of Directors, at the proposal of the NRC, with the support of the CHCO, after consulting the Board of Statutory Auditors.

The definition of the Individual Objectives, in general, follows a cascading logic and is determined and finalised by the Chief Executive Officer together with the indicator values in the target, threshold and cap scenarios.

In general, the targets assigned are not modifiable, except in significant unforeseeable cases (e.g. significant changes in the scope).

In particular, exogenous factors (e.g. legislative changes, price trends, accidental events, etc.) are not neutralised in the final balance, except in unforeseeable significant cases. In the above cases (i) the Board of Directors, at the proposal of the NRC, after consulting the Board of Statutory Auditors, may resolve to amend the indicators and/or the EBT Target<sup>21</sup> and Sustainability Target, (ii) the Chief Executive Officer may decide to amend the indicators and/or the Individual Targets.

Any changes must be defined safeguarding the principles and the guidelines according to which the MBO System was formulated, not introducing undue advantages or penalties either as regards the beneficiaries of the MBO System or as regards ERG or its shareholders.

<sup>21</sup> In the event that similar events occur, any revisions will be made within the provisions of Article 123-ter of the Consolidated Finance Act in accordance with the Procedure for transactions with related parties.



The MBO System also provides for the following clauses:

- **clawback clause**, i.e. the right of the Company to request the partial or total return of the consideration paid, or to withhold deferred sums, within three years of their accrual, where the same is determined on the basis of data which, in the opinion of the Company, is subsequently revealed to be manifestly incorrect or the result of manipulation or serious violations of the Code of Ethics ascertained by the Board of Directors and/or unlawful conduct;
- **clauses** in respect of which the **termination of the employment relationship** during the period in which the bonus is accrued results in the loss of the right to the provision of the consideration deriving from the MBO System, without prejudice to those who leave having met the pension requirements following which the beneficiary will be paid a consideration in proportion to the duration of the employment relationship during the accrual period.

### 3.3.3 2024-2026 Performance Share Plan

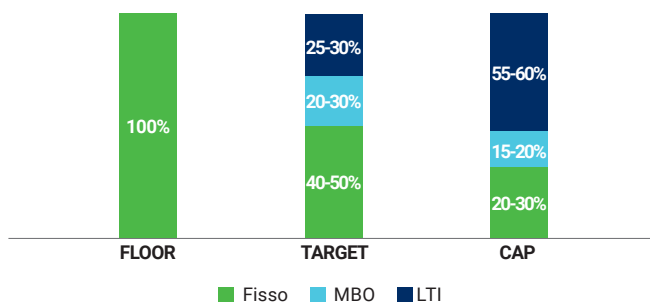
The Key Managers take part in the 2024-2026 Performance Share Plan, the operating elements of which are described in chapter 3.2.2.2., to which reference is made. On 15 May 2024, the Board of Directors, at the proposal of the NRC, after consulting the Board of Statutory Auditors, resolved to assign to the Key Managers a long-term incentive, regulated by the 2024-2026 Performance Share System, equal to 99,480 shares over three years. The target value is set based on external remuneration benchmarks (for the medium/long-term variable component of the remuneration) and the expected creation of value.

### 3.3.4 Remuneration balancing

The balancing between the fixed and the variable remuneration components aims to align the interests of their beneficiaries with the medium/long-term strategic objectives of the Company and the creation of sustainable value for the shareholders in compliance with the ERG Group risk management policy, and in consideration of the relevance of the position held with respect to achieving the objectives of the Business Plan and the ESG Plan.

The 2026 Policy establishes a remuneration mix consistent with the managerial position held, as shown in the pay-mix graphs below:

**PAY MIX Key Managers<sup>22</sup>**



The weight of the overall annual variable component for KMs, consisting of short-term incentives (MBO System) and long-term incentives (2024-2026 LTI Plan), can vary between 45% and 60% of the total target remuneration depending on the strategic importance of the role for the achievement of the Business Plan and the ESG Plan.

### 3.3.5 Entry bonus

Only in exceptional cases and exclusively for the purpose of attracting Key Managers with high managerial seniority and in possession of skills relevant to the business, the Chief Executive Officer, with the support of the CHCO and the favourable opinion of the NRC, may provide for the possibility of paying them an entry bonus, at the time of recruitment, the maximum amount of which may not exceed the amount of the target variable remuneration defined in accordance with the 2026 Policy.

### 3.3.6 Non-monetary benefits and other compensation

The Chief Executive Officer, in conjunction with the Executive Deputy Chairman and with the support of the CHCO, after consulting the NRC, may decide on the awarding of non-monetary benefits to Key Managers, which will not be withheld from the remuneration.

The system of benefits is defined by corporate policies, in line with legal provisions and those of the current National Collective Labour Agreement, and completes and enhances the total remuneration package. The system of benefits is determined by taking into consideration the complexity of the positions and responsibilities assigned. Benefits include pensions (PREVINDAI fund) and social security benefits (FASI fund and supplementary health insurance) as well as insurance against accident, disability and death. Provisions are also made for the allocation of company cars for mixed use and housing.

It should be noted that **no non-recurring remuneration is expected to be paid during the term of the relationship**. The instruments offered by the 2026 Policy ensure both the application of the “pay for performance” principle and the successful alignment between the interests of shareholders and management.

### 3.3.7 Termination of office or discontinuation of the employment relationship

The conditions of the national collective agreement for industrial managers of companies producing goods and services shall apply to the Key Managers, as these are employees of the company, in the event of termination of employment for justified reason or just cause. In compliance with Italian legal provisions – Article 2120 of the Italian Civil Code – Key Managers whose employment ends for any reason will receive an employee severance indemnity, which is on average equal to 7% of their gross annual remuneration. The payment of the employee severance indemnity is not conditional upon the achievement of a minimum performance.

## 3.4 INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS

Reference is made to chapter 5.1.2.2.

<sup>22</sup> The histograms represent the average remuneration data in each scenario represented (Target and Cap).



### 3.5 BOARD OF STATUTORY AUDITORS

The Shareholders' Meeting, upon the appointment of the Board of Statutory Auditors, is called upon to resolve, at the proposal of the shareholders, the assignment of a fixed annual remuneration to the Standing Auditors for the entire duration of their office.

The Board of Directors recommends that fee is consistent with the professional commitment required by the office, as well as with the related responsibilities, and that the remuneration proposals be presented by the Shareholders (where appropriate, also pursuant to Article 126-bis of the Consolidated Finance Act) in such a way as to allow disclosure to the public sufficiently in advance with respect to the Shareholders' Meeting called upon to approve them.

Further to the recommendations of the Italian Committee for Corporate Governance, the Board of Directors, with the support of the NRC, assessed as more than adequate the annual remuneration paid to the Chairwoman of the Board of Statutory Auditors and the Standing Auditors, using as reference in particular MID CAP companies and those included in the FTSE MIB, taking into account the professionalism and commitment required by their position.

#### Annual remuneration of the Board of Statutory Auditors

Chairwoman of the Board of Statutory Auditors	Standing Auditors
EUR 70,000	EUR 50,000

### 4. DEROGATION PROCEDURE

An adequate remuneration policy that favours the alignment of the interests of management with those of shareholders is essential in order to ensure the pursuit of long-term objectives and the sustainability of the Company as a whole, ensuring its ability to stay on the market.

In exceptional circumstances, in accordance with the provisions of Article 123-ter, subsection 3-bis, of the Italian Consolidated Finance Act, the Company may find it necessary to derogate temporarily from the Policy, limited to the annual (MBO System) and medium/long-term (2024-2026 Performance Share Plan) remuneration components, in order to guarantee the long-term interests of the Company, or the sustainability of the Group as a whole as well as the alignment of management with the interests of the shareholders.

In the event that the requirements are met, the temporary derogation from the 2026 Policy will have to be approved by the Board of Directors, at the proposal of the NRC, with the support of the CHCO, after consulting the Board of Statutory Auditors.

Any such decisions should be taken in compliance with the Procedure and must be disclosed to the market, within the meaning of law and of the Procedure itself.



## SECTION II: FEES PAID FOR 2025

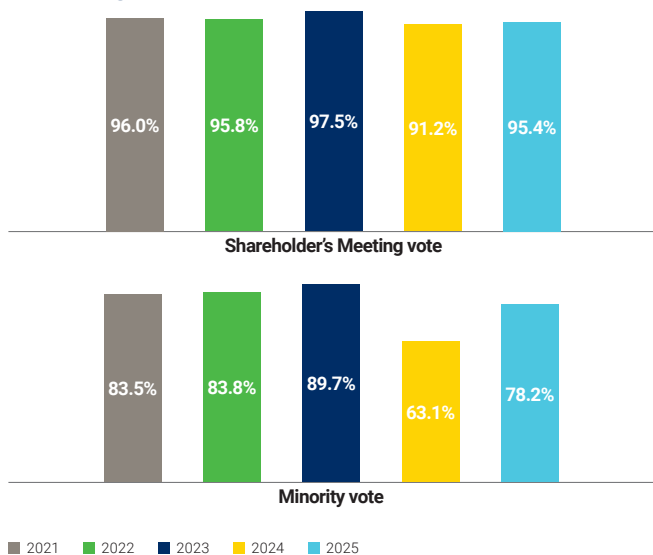
### 5. IMPLEMENTATION OF THE 2025 REMUNERATION POLICY

The remuneration policy implemented by the Company in 2025, with particular regard to the members of the Board of Directors and Key Managers, was coherent and consistent with the 2025 Remuneration Policy, which was approved by the Board of Directors on 11 March 2025 and received the favourable vote of the Shareholders' Meeting held on 22 April 2025.

#### Shareholders' Meeting vote

Throughout 2025, we continued our dialogue with stakeholders on remuneration-related topics. In the Meeting of 22 April 2025, the 2025 Remuneration Policy was approved with a positive vote of 95.4% of the shareholders present and 78.2% of the minorities present.

#### Favourable vote on the 2025 policy of the Shareholders present at the meeting



As shown in the graph, the 2025 Remuneration Policy was approved with 95.4% of the total votes and the consensus of minorities stood at 78.2%. The increase in consensus is attributable to greater disclosure on elements and metrics (i) of the Business Plan and the ESG Plan (ii) of the 2024-2026 LTI Plan, the objectives of which have been defined consistently with them and (iii) the overall remuneration package of the Executive Directors and specifically of the Chief Executive Officer defined by the new Board of Directors on 15 May 2024.

#### 5.1 BOARD OF DIRECTORS

##### 5.1.1 Fees

The Shareholders' Meeting of 23 April 2024, at the proposal of the Shareholder SQ Renewables S.p.A., approved the allocation of a **fixed annual fee** for the three-year period 2024-2026, pro rata temporis<sup>23</sup>, of EUR 70,000 to all members of the Board of Directors.

The Shareholders' Meeting, at the proposal of the Shareholder SQ Renewables S.p.A., also resolved to assign an additional **fixed annual fee** for the three-year period 2024-2026, pro rata temporis<sup>23</sup>, to the independent Directors called upon to sit on the NRC (EUR 35,000) and the CRSC (EUR 45,000).

The remuneration referred to above was established taking into account the professional commitment required by the offices as well as the related responsibilities.

##### 5.1.2 Remuneration

The Board of Directors of 15 May 2024, at the proposal of the NRC and having heard the favourable opinion of the Board of Statutory Auditors, determined for the three-year period 2024-2026, in accordance with the 2024 Policy, the remuneration of the Chairman, the Executive Deputy Chairman, the Deputy Chairman, the Chief Executive Officer and those members of the Strategic Committee who are not employees of the Group and do not hold positions on the Board of Directors as shown below.

##### Fixed component

The Board of Directors awarded fixed remuneration pro rata temporis<sup>23</sup> to the Executive Directors or Directors holding special offices, as follows:

- Chairman (Edoardo Garrone) EUR 640,000
- Executive Deputy Chairman (Alessandro Garrone) EUR 930,000
- Deputy Chairman (Giovanni Mondini) EUR 140,000
- Chief Executive Officer (Paolo Luigi Merli) EUR 1,080,000
- Directors sitting on the Strategic Committee who are not employees of the Group and do not hold offices in the Board of Directors (i.e. Luca Bettonte until 16 November 2025<sup>24</sup>, Elisabetta Oliveri, Barbara Poggiali and Renato Pizzolla, Paolo Arlandini<sup>25</sup> since 12 December 2025) EUR 60,000.

##### Short-term variable component

In line with the 2025 Remuneration Policy, the Board of Directors resolved, for the three-year period 2024-2026, to include the Chief Executive Officer Paolo Luigi Merli in the annual MBO System for a target value of EUR 650,000.

On 11 March 2026, the Board of Directors, upon proposal of the NRC and following consultation with the Board of Statutory Auditors, verified the achievement of the following results: (i) Consolidated EBT at 78%

23 Valid until the date of the Shareholders' Meeting called to approve the Financial Statements at 31 December 2026.

24 Luca Bettonte resigned from the office of non-executive Director and member of the Strategic Committee, with effect from 17 November 2025.

25 Paolo Arlandini was appointed non-executive Director and member of the Strategic Committee by the Board of Directors on 12 December 2025.

of the target value; (ii) the Sustainability Objective at 113% of the target value; and (iii) the Growth Objective at 120%. Accordingly, the overall performance against the CEO's 2025 objectives amounted to 98% of the MBO target value, corresponding to 55% of fixed remuneration, of which the portion relating to the sustainability indicator represents 13% of fixed remuneration.

The graph below shows the level of achievement of each performance target.

Performance objective	Weight	Unit	Target	Result	Minimum 50%	Target 100%	Cap 150%	Objective result	Weighted score
<b>Group result</b>	<b>50%</b>							<b>78%</b>	<b>39%</b>
Adjusted EBT (Earning Before Tax)		EUR million	241	214				78%	
					Minimum 80%	Target 100%	Cap 120%		
<b>Sustainability Objective</b>	<b>20%</b>							<b>113%</b>	<b>23%</b>
<b>Planet:</b> Circular Wind on Repowering (% of material or energy recovered)	4%	%	98%	100%				<b>120%</b>	
<b>Engagement:</b> ERG Academy for Next Generation (number of students involved in educational activities on Sustainability and/or RES)	2%	no.	23,500 (4 country)	24,855 (5 country)				<b>118%</b>	
<b>Engagement:</b> Social Purpose for Solar Revamping (number of projects achieved)	2%	no.	2	3				<b>120%</b>	
<b>People:</b> Safety Always-HSE: No fatalities and compliance with Frequency Indices [Internal + contractors]: combined [FI] and severe [FISev]	8%	Index	IF < 3.40 IFSev < 1.90 No fatalities	IF < 3.73 IFSev < 0.53 No fatalities				<b>105%</b>	
<b>People:</b> Impact of the female gender on workforce growth	2%	%	35%	50%				<b>120%</b>	
<b>Governance:</b> Number of Actions completed: 1) Climate Change: assessment on Physical Risk (Wind Droughts) 2) Cyber Security training 3) Update of Sustainability Policy	2%	no.	2	3				<b>110%</b>	
<b>Growth Objective</b>	<b>30%</b>							<b>120%</b>	<b>36%</b>
Installed production capacity		MW	130	205				120%	
<b>Total</b>	<b>100%</b>								<b>98%</b>

### Long-term variable component

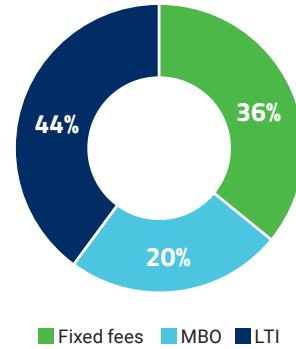
On 15 May 2024, the Board of Directors, at the proposal of the NRC, after consulting the Board of Statutory Auditors, resolved to assign the long-term incentive, regulated by the 2024-2026 Performance Share Plan, to:

- the Chief Executive Officer (Paolo Luigi Merli) in the measure of 144,000 Shares for three years;

- the Executive Deputy Chairman (Alessandro Garrone) in the measure of 42,000 Shares for three years.

At the end of the three-year vesting period (2024-2025 and 2026), 30% of any Shares Allocated will be subject to an additional lock-up period of twelve months, which will conclude in 2028, during which said Shares are subject to the non-transferability constraint. For more details, please refer to section 3.2.2.2 of this document.

### Chief Executive Officer: Final pay mix<sup>26</sup>



### Quantification of Remuneration

The total remuneration amount and its target composition was determined, with the support of TEHA Group, through a comparative analysis of the corporate offices held within a panel made up of Italian companies from the FTSE MIB and the MID CAP in the Industry sector comparable to ERG in terms of capitalisation, shareholding structure, system of powers and complexity, the Chief Executive Officer of which is not the reference shareholder.

The peer group identified in the 2025 Policy consists of: Amplifon, Brembo, Brunello Cucinelli, De' Longhi, Italgas, Iveco, Leonardo, Maire Tecnimont, Pirelli, Prysmian, Recordati, Saipem, Telecom Italia and Technogym. Within this, two distinct Peer groups have been formed in relation to the level of powers granted: one for the Chief Executive Officer who is not a controlling shareholder and one for the other Executive Directors.

It should be noted that the total remuneration approved for the Chief Executive Officer is positioned at the first quartile level of the market value identified according to the criteria indicated in the 2025 Policy approved by the Shareholders' Meeting of 22 April 2025.

### Non-monetary benefits

For the Directors who have chosen to exercise the right to receive certain non-monetary benefits (such as insurance policies, health insurance and life insurance), the amount of the benefits in question was withheld from the annual compensation approved by the Shareholders' Meeting.

For the Executive Directors or Directors holding special offices who made use of the car benefit, the amount of this benefit was not withheld from the fixed component.

### Termination of office or discontinuation of the employment relationship

It should be noted that no indemnities were paid to Executive Directors during 2025 in relation to termination of office or termination of employment and no agreements were signed to that effect.

### Ex-post correction mechanism

During 2025, no ex-post correction mechanisms were used for the variable component and the remuneration paid in 2025 and in previous years.

<sup>26</sup> Pay mix of the remuneration accrued in 2025, taking into account the fixed component (including non-monetary benefits), the short-term variable component and the fair value of the long-term equity component.

## 5.2 KEY MANAGERS

### Fixed component

The fixed remuneration of the Key Managers was defined by the Chief Executive Officer, in conjunction with the Executive Deputy Chairman, on the advice of the NRC and with the support of the CHCO, in compliance with the 2025 Policy.

Pursuant to the Procedure, the following Key Managers have been identified: Corporate Strategy and M&A Officer, Chief Business Development, Engineering & Construction Officer, Chief Financial Officer and Manager responsible for preparing financial reports, Chief Human Capital & ICT Officer, Chief Operating Officer and General Counsel.

The remuneration of the Manager responsible for preparing the company's financial reports, in his capacity as Chief Financial Officer, was defined by the Board of Directors, in the meeting of 15 May 2024, after consulting the NRC and the Board of Statutory Auditors, with the support of the Chief Human Capital & ICT Officer.

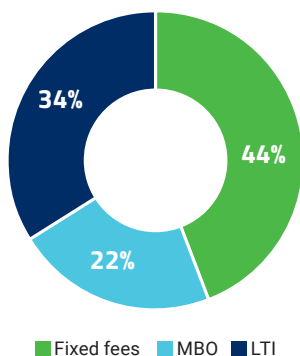
### Short-term variable component

In accordance with the 2025 Policy, the variable component of the remuneration for Key Managers, which includes the short-term (MBO System) and the medium/long-term (2024/2026 Performance Share Plan) incentive, was defined by the Chief Executive Officer, in conjunction with the Executive Deputy Chairman, on the advice of the NRC and with the support of the CHCO.

For the purposes of paying the 2025 short-term variable remuneration, the Board of Directors, upon the proposal of the Nominations and Remuneration Committee, having heard the favourable opinion of the Board of Statutory Auditors, on 11 March 2026, ascertained the achievement of the result related to (i) the Consolidated EBT at 78% of the target value (ii) the Sustainability Target at 113% of the target value.

The results of the Individual Targets (weight 60%) will be approved by the Chief Executive Officer in accordance with the MBO System regulations.

Key Managers: Final pay mix<sup>27</sup>



The graph below shows the levels of achievement of each Group performance target:

Obiettivo di Performance	Weight	Unit	Target	Result	Minimum 50%	Target 100%	Cap 150%	Objective result
<b>Group result</b>	<b>30%</b>							<b>78%</b>
Adjusted EBT (Earning Before Tax)		EUR million	241	214				78%
					Minimum 80%	Target 100%	Cap 120%	
<b>Sustainability Objective</b>	<b>20%</b>							<b>113%</b>
<b>Planet:</b> Circular Wind on Repowering (% of material or energy recovered)	2%	%	98%	100%				120%
<b>Engagement:</b> ERG Academy for Next Generation (number of students involved in educational activities on Sustainability and/or RES)	1%	no.	23,500 (4 country)	24,855 (5 country)				118%
<b>Engagement:</b> Social Purpose for Solar Revamping (number of projects achieved)	1%	no.	2	3				120%
<b>People:</b> Safety Always-HSE: No fatalities and compliance with Frequency Indices [internal + contractors]: combined [FI] and severe [FISev]	4%	Index	IF < 3.40 IFSev < 1.90 No fatalities	IF < 3.73 IFSev < 0.53 No fatalities				105%
<b>People:</b> Impact of the female gender on workforce growth	1%	%	35%	50%				120%
<b>Governance:</b> Number of Actions completed: 1) Climate Change: assessment on Physical Risk (Wind Droughts) 2) Cyber Security training 3) Update of Sustainability Policy	1%	no.	2	3				110%
<b>Individual Targets</b>	<b>60%</b>							<b>100%</b>
<b>Total</b>	<b>100%</b>							

### Medium/long-term variable component

On 15 May 2024, the Board of Directors, at the proposal of the NRC, after consulting the Board of Statutory Auditors, resolved to assign the long-term incentive, regulated by the **2024-2026 Performance Share Plan**. Following this resolution, a total of 99,480 shares were assigned to KMs over a three-year period.

### Quantification of Remuneration

The size of these remunerations at target value was in proportion to the commitment demanded of each of the beneficiaries for the purpose of their offices, and was defined, making use of the Korn Ferry Executive Italy Survey, through a benchmark based on a market that includes the top management and those reporting directly to the top management of listed and/or independent companies operating on the Italian market.

### Non-monetary benefits

In 2025, the Key Managers received certain non-monetary benefits such as healthcare, supplementary pension, insurance for the risk of death and disability, and the use of a company car for mixed use.

<sup>27</sup> Pay mix of the remuneration accrued in 2025, taking into account the fixed component and the short-term variable component of remuneration indicated by the columns "fixed fees", "variable non-equity fees- Bonuses and other incentives" and "Fair value of equity fees" of Graph 1 of this Section.

**Termination of office or discontinuation of the employment relationship**

It should be noted that no indemnities were paid to Key Managers during 2025 in relation to termination of office or termination of employment and no agreements were signed to that effect.

**Ex-post correction mechanism**

During 2025, no ex-post correction mechanisms were used for the variable component and the remuneration paid in 2025 and in previous years.

**5.3 INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS**

Consistently with the 2025 Policy, the long-term variable remuneration is regulated by the 2024-2026 Performance Share Plan based on financial instruments. This Plan is therefore regulated by Article 114-bis of the Italian Consolidated Finance Act.

**5.4 BOARD OF STATUTORY AUDITORS**

The Shareholders' Meeting of 25 April 2025 (i) appointed the new Board of Statutory Auditors valid for three financial years with expiry on the date of the Shareholders' Meeting called to approve the financial statements at 31 December 2027, (ii) determined the remuneration for the Chairwoman of the Board of Statutory Auditors and for the other two standing auditors.

The annual remuneration paid to the members of the Board of Statutory Auditors has not changed from that approved by the Shareholders' Meeting on 26 April 2022 and is as follows:

- EUR 70,000 for the Chairwoman of the Board of Statutory Auditors (Monica Mannino);
- EUR 50,000 for each of the other two Standing Auditors (Giulia De Martino and Fabrizio Cavalli).

**Annual changes in the remuneration of the Board of Directors and the Board of Statutory Auditors, the average remuneration of employees and other performance indicators of the Company.**

In line with the national legislation implementing Directive (EU) 2017/828 (which amended Directive 2007/36/EC with regard to the encouragement of long-term shareholder engagement), the following graph shows, for the last five financial years, the annual change in the total remuneration (fixed remuneration and short-term variable component) of the members of the Board of Directors and the Board of Statutory Auditors.

Definition / Name	Notes	2025	2024	2023	2022	2021
TSR	(1)	19%	-29%	3%	5%	25%
	(2)	1%	3%	4%	-13%	21%
adj EBITDA	(3)	540	535	520	502	580
<b>Edoardo Garrone</b>	(2)	0%	0%	0%	-7%	-12%
<i>Chairman</i>	(4)	710	710	710	710	760
<b>Alessandro Garrone</b>	(2)	0%	0%	0%	-6%	-11%
<i>Executive Deputy Chairman</i>	(4)	1,004	1,005	1,004	1,004	1,070
<b>Giovanni Mondini</b>	(2)	0%	0%	0%	-19%	-28%
<i>Deputy Chairman</i>	(4)	214	214	214	214	263
<b>Luigi Paolo Merli</b>	(2)	-1%	15%	-6%	25%	100%
<i>Chief Executive Officer</i>	(4)	1,790	1,812	1,578	1,677	1,342
<b>Federica Lolli</b>	(2)	0%	0%	0%	50%	100%
<i>Director</i>	(4)	150	150	150	150	100
<b>Marina Natale</b>	(2)	50%	100%	n.a.	n.a.	n.a.
<i>Director since 23/04/2024</i>	(4)	115	77	-	-	-
<b>Elisabetta Oliveri</b>	(2)	6%	13%	0%	0%	0%
<i>Director</i>	(4)	210	198	175	175	175
<b>Renato Pizzolla</b>	(2)	0%	0%	238%	100%	n.a.
<i>Director</i>	(4)	130	130	130	38	-
<b>Elisabetta Caldera</b>	(2)	50%	100%	n.a.	n.a.	n.a.
<i>Director since 23/04/2024</i>	(4)	105	70	-	-	-
<b>Barbara Poggiali</b>	(2)	50%	100%	n.a.	n.a.	n.a.
<i>Director since 23/04/2024</i>	(4)	130	87	-	-	-
<b>Daniela Toscani</b>	(2)	50%	100%	n.a.	n.a.	n.a.
<i>Director since 23/04/2024</i>	(4)	70	47	-	-	-
<b>Paolo Arlandini</b>	(2)	100%	n.a.	n.a.	n.a.	n.a.
<i>Director since 12/12/2025</i>	(4)	7	-	-	-	-
<b>Luca Maria Bettonte</b>	(2)	-12%	0%	0%	50%	100%
<i>Director until 16/11/2025</i>	(4)	114	130	130	130	87



Definition / Name	Notes	2025	2024	2023	2022	2021
<b>Monica Mannino</b>	(2)	0%	0%	100%	n.a.	n.a.
<i>Statutory Auditor</i>	(4)	70	70	47	-	-
<b>Fabrizio Cavalli</b>	(2)	0%	0%	21%	65%	0%
<i>Statutory Auditor</i>	(4)	80	80	80	66	40
<b>Giulia De Martino</b>	(2)	0%	0%	50%	100%	n.a.
<i>Statutory Auditor</i>	(4)	50	50	50	33	-
<b>Employees of the Erg Group</b>	(2)	3%	4%	1%	3%	2%
<i>Gross annual compensation</i>	(5)	64	62	60	59	57

## Notes

- (1) Total Shareholder Return, namely the total return on investment for shareholders, which is calculated by adding the increase in the share price, over a certain time interval, with the effect of the dividends per share paid during the same period
- (2) annual rate of change of the reference indicator
- (3) EUR million - Adjusted EBITDA is the gross operating margin, calculated by adding 'Amortisation/Depreciation and Impairment' to the Net Operating Result, with the exclusion of significant income components of an unusual nature (special items) and with the reclassification of the impacts associated with the application of IFRS 16
- (4) EUR thousand - Compensation paid each year as per column 6 Graph 1 published in the Remuneration Report for each year
- (5) EUR thousand - Total average annual remuneration of all employees of the ERG Group



## 6. FEES PAID IN 2025

The following graphs set out details of the fees paid during the year in question, at any title and in any form, by the Company and by subsidiary and associated companies.

**Graph 1. Fees paid to the members of the Board of Directors, general managers and key managers**

(A) Name and surname	(B) Office	(C) Period for which office was held	(D) Termination of office	(1) Fixed fees	(2) Fees for participation in committees	(3) Variable non-equity fees		(4) Non-monetary benefits	(5) Other fees	(6) Total	(7) Fair Value of equity fees*	(8) Severance indemnities for end of office or termination of employment
						Bonuses and other incentives	Share of profit					
<b>Edoardo Garrone</b>	Chairman	01.01.2025 31.12.2025	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				692,781	-	-	-	17,219	-	<b>710,000</b>	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				692,781	-	-	-	17,219	-	<b>710,000</b>	-	-
<b>Alessandro Garrone</b>	Executive Deputy Chairman	01.01.2025 31.12.2025	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				983,050	-	-	-	20,827	-	<b>1,003,877</b>	412,172	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				983,050	-	-	-	20,827	-	<b>1,003,877</b>	412,172	-
<b>Giovanni Mondini</b>	Deputy Chairman	01.01.2025 31.12.2025	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				195,504	-	-	-	18,371	-	<b>213,875</b>	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				195,504	-	-	-	18,371	-	<b>213,875</b>	-	-
<b>Luigi Paolo Merli</b>	Chief Executive Officer	01.01.2025 31.12.2025	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				1,137,451	-	637,000 <sup>(1)</sup>	-	15,258	-	<b>1,789,708</b>	1,413,161	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				1,137,451	-	637,000	-	15,258	-	<b>1,789,708</b>	1,413,161	-
<b>Paolo Arlandini</b>	Director	12.12.2025 31.12.2025	04/2026									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				3,763	3,226 <sup>(2)</sup>	-	-	-	-	<b>6,989</b>	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				3,763	3,226	-	-	-	-	<b>6,989</b>	-	-
<b>Elisabetta Caldera</b>	Director	01.01.2025 31.12.2025	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				70,000	35,000 <sup>(5)</sup>	-	-	-	-	<b>105,000</b>	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				70,000	35,000	-	-	-	-	<b>150,000</b>	-	-
<b>Federica Lolli</b>	Director	01.01.2025 31.12.2025	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				70,000	80,000 <sup>(3)</sup>	-	-	-	-	<b>150,000</b>	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				70,000	80,000	-	-	-	-	<b>150,000</b>	-	-



(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Office	Period for which office was held	Termination of office	Fixed fees	Fees for participation in committees	Variable non-equity fees		Non-monetary benefits	Other fees	Total	Fair Value of equity fees*	Severance indemnities for end of office or termination of employment
						Bonuses and other incentives	Share of profit					
<b>Marina Natale</b>	Director	01.01.2025 31.12.2025	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				70,000	45,000 <sup>(4)</sup>	-	-	-	-	115,000	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				70,000	45,000	-	-	-	-	115,000	-	-
<b>Elisabetta Oliveri</b>	Director	01.01.2025 31.12.2025	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				70,000	140,000 <sup>(5)</sup>	-	-	-	-	210,000	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				70,000	140,000	-	-	-	-	210,000	-	-
<b>Renato Pizzolla</b>	Director	01.01.2025 31.12.2025	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				70,000	60,000 <sup>(2)</sup>	-	-	-	-	130,000	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				70,000	60,000	-	-	-	-	130,000	-	-
<b>Barbara Poggiali</b>	Director	01.01.2025 31.12.2025	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				70,000	60,000 <sup>(2)</sup>	-	-	-	-	130,000	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				70,000	60,000	-	-	-	-	130,000	-	-
<b>Daniela Toscani</b>	Director	01.01.2025 31.12.2025	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				70,000	-	-	-	-	-	70,000	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				70,000	-	-	-	-	-	70,000	-	-
<b>Luca Bettone</b>	Director	01.01.2025 16.11.2025	11/2025									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				61,639	52,833 <sup>(6)</sup>	-	-	-	-	114,472	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				61,639	52,833	-	-	-	-	114,472	-	-
<b>Monica Mannino</b>	Chairwoman of the Board of Statutory Auditors	01.01.2025 31.12.2025	04/2028									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				70,000	-	-	-	-	-	70,000	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				70,000	-	-	-	-	-	70,000	-	-



(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Office	Period for which office was held	Termination of office	Fixed fees	Fees for participation in committees	Variable non-equity fees		Non-monetary benefits	Other fees	Total	Fair Value of equity fees*	Severance indemnities for end of office or termination of employment
						Bonuses and other incentives	Share of profit					
<b>Fabrizio Cavalli</b>	Standing Statutory Auditor	01.01.2025 31.12.2025	04/2028									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				50,000	-	-	-	-	-	<b>50,000</b>	-	-
(II) Fees from subsidiaries and associated companies				30,000 <sup>(8)</sup>	-	-	-	-	-	<b>30,000</b>	-	-
(III) Total				80,000	-	-	-	-	-	<b>80,000</b>	-	-
<b>Giulia De Martino</b>	Standing Statutory Auditor	01.01.2025 31.12.2025	04/2028									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				50,000	-	-	-	-	-	<b>50,000</b>	-	-
(II) Fees from subsidiaries and associated companies					-	-	-	-	-		-	-
(III) Total				50,000	-	-	-	-	-	<b>50,000</b>	-	-
<b>Key managers<sup>(9)</sup></b>	Directors in subsidiaries and division managers											
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				1,270,000	-	615,550 <sup>(10)</sup>	-	49,354	-	<b>1,934,904</b>	976,259	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				1,270,000	-	615,550	-	49,354	-	<b>1,934,904</b>	976,259	-

**Note to the Graph 1**

- (1) Short-term MBO variable component determined by the Board of Directors, at the proposal of the Nominations and Remuneration Committee, following the verification carried out, in the meeting of 11 March 2026, on the level of achievement of the objective and specific annual targets for 2025, which were assigned by the Board itself in the meeting of 15 May 2025.
- (2) Remuneration for participation in the Strategic Committee (Appointment BoD 15/05/2024)
- (3) Remuneration for participation in the Nominations and Remuneration Committee (Appointment BoD 23/04/2024)
- (4) Remuneration for participation in the Nominations and Remuneration Committee and the Control, Risk and Sustainability Committee (Appointment BoD 23/04/2024)
- (5) Remuneration for participation in the Control, Risk and Sustainability Committee (Appointment BoD 23/04/2024)
- (6) Remuneration for participation in the Strategic Committee (Appointment BoD 12/12/2025)
- (7) Remuneration for participation in the Strategic Committee (expiry of office 16/11/2025)
- (8) Remuneration for role as Chairwoman of the Board of Statutory Auditors in ERG Power Generation S.p.A. (Appointment BoD 22/04/2024)
- (9) The figures shown in the graph include all the individuals who, during the 2025 financial year, held the position of Key Manager (a total of 6).
- (10) MBO value attributable to 2025 which will be paid in May 2026



## 7. MONETARY INCENTIVE PLANS

**Graph 3B: Monetary incentive plans for members of the board of directors, general managers and key managers**

A Name and surname	B Office	(1) Plan	(2) Bonus for the year			(3) Bonus for previous years			(4) Other Bonuses
			(A) Payable/paid	(B) Deferred	(C) Deferment period	(A) No longer payable	(B) Payable/paid	(C) Still deferred	
			<b>(I) Fees in the company preparing the financial statements</b>						
<b>Paolo Luigi Merli</b>	Chief Executive Officer	MBO System <sup>(1)</sup>	637,000	-	Year 2025	-	-	-	-
<b>Dirigenti Strategici</b>	Directors in subsidiaries and division managers	MBO System <sup>(2)</sup>	615,550	-	Year 2025	-	-	-	-
<b>(I) Totale</b>			<b>1,252,550</b>	-	-	-	-	-	-

No fees from subsidiaries and associated companies are provided for

**Notes to the Graph 3B**

- (1) Short-term MBO variable component determined by the Board of Directors, at the proposal of the Nominations and Remuneration Committee, following the verification carried out, in the meeting of 11 March 2026, on the level of achievement of the objective and specific annual targets for 2025, which were assigned by the Board itself in the meeting of 15 May 2025.
- (2) Short-term MBO variable component determined (i) in relation to the Group targets (EBT and Sustainability) by the Board of Directors on 11 March 2026 (ii) at the target level in relation to the personal targets that will be approved by the Chief Executive Officer.



## 8. SHARE INCENTIVE PLANS

**Graph 3A: Incentive plans based on financial instruments, other than stock options, for members of the board of directors, general managers and key managers**

A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Name and surname	Office	Plan	Financial instruments assigned in previous financial years not vested during the financial year		Financial instruments assigned during the year					Financial instruments vested during the year and not assigned	Financial instruments vested during the year that can be assigned		Financial instruments accrued during the year
			No. and Type	Vesting period	No. and Type	Fair value at allocation date	Vesting period	Allocation date	Market price on allocation	No. and Type	No. and Type (1)	Value at vesting date (2)	Fair Value
<b>Alessandro Garrone</b>	Executive Deputy Chairman	Performance Share 2024-2026 BoD 15/05/2024	42,000 ordinary shares	three years									412,172
<b>Paolo Luigi Merli</b>	Chief Executive Officer	Performance Share 2024-2026 BoD 15/05/2024	144,000 ordinary shares	three years									1,413,161
<b>Other Key Managers</b>	No. 6	Performance Share 2024-2026 BoD 15/05/2024	99,480 ordinary shares	three years									976,259
<b>Other Executives<sup>(1)</sup></b>	No. 28	Performance Share 2024-2026 BoD 15/05/2024	161,120 ordinary shares	three years									1,608,456

### Notes to the Graph 3A

(1) Pursuant to the Plan Regulations, on 20 February 2025 the Nominations and Remuneration Committee approved the inclusion of a new beneficiary, assigning them 5,600 shares. Furthermore, during 2025 one of the participants in the incentive scheme voluntarily resigned and, upon termination of their employment relationship with ERG, forfeited all rights to participate in the 2024-2026 Performance Share Plan (3,960 shares).



## 9. COMPENSATION PLANS BASED ON FINANCIAL INSTRUMENTS

### Graph 1 of Scheme 7 of Annex 3A, Regulation no. 11971/1999

With regard to the 2024-2026 Performance Share Plan approved by the Ordinary Shareholders' Meeting on 23 April 2024, to the conditions and explanatory purpose of the information document, made available to the public on the website of the Company ([www.erg.eu](http://www.erg.eu)), the following graph provides, pursuant to Article 84-bis (Annex 3, Graph 3A) of the CONSOB Issuers' Regulations, details of the instruments awarded under the plan.

**BOX 1**  
**FINANCIAL INSTRUMENTS OTHER THAN STOCK OPTIONS**  
Section 2

Name and surname or Category	Office	Newly allocated instruments based on the decision of the body responsible for the implementation of Shareholders' resolution						
		Date of Shareholders' resolution	Type of financial instruments	No. financial instruments	Allocation date	Purchase price of instruments, if any	Market price on allocation	Vesting period
Alessandro Garrone	Executive Deputy Chairman	26/04/2024	Shares	42,000	16/05/2024	Treasury shares	26,94	3 years
Paolo Luigi Merli	Chief Executive Officer	26/04/2024	Shares	144,000	16/05/2024	Treasury shares	26,94	3 years
Dirigenti con responsabilità strategiche	No. 6	26/04/2024	Shares	99,480	16/05/2024	Treasury shares	26,94	3 years
Altri Dirigenti <sup>(1)</sup>	No. 28	26/04/2024	Shares	161,120	16/05/2024	Treasury shares	26,94	3 years

#### Notes to the Graph

(1) Pursuant to the Plan Regulations, on 20 February 2025 the Nominations and Remuneration Committee approved the inclusion of a new beneficiary, assigning him 5,600 shares. During 2025, following voluntary resignation, one participant exited the incentive scheme, forfeiting all rights to participate in the 2024-2026 Performance Share Plan (3,960 shares).

## 10. EQUITY INVESTMENTS HELD IN 2025

### Scheme 7-ter: scheme relating to information on the equity investments of members of the board of directors and statutory auditors, general managers and key managers

Name and surname	Office	Investee Company	Number of shares held at the end of the previous year	Number of shares repurchased	Number of shares sold	Number of shares held at the end of the current year
Alessandro Garrone <sup>(1)</sup>	Executive Deputy Chairman	ERG S.p.A.	52,527			52,527
Paolo Luigi Merli <sup>(1)</sup>	Chief Executive Officer	ERG S.p.A.	210,936			210,936
Elisabetta Oliveri <sup>(1)</sup>	Director	ERG S.p.A.	2,000	2,000		4,000
Key Managers <sup>(1)</sup>	-	ERG S.p.A.	141,312			141,312

(1) Direct shareholders and shares owned by Closely Associated Persons - holding title: ownership



## GLOSSARY

In addition to the definitions provided in other articles, capitalised terms and expressions used in the Report have the meaning assigned to them below. Note that in any case the same meaning applies both to the singular and to the plural:

**Board of Directors or BoD:** the Board of Directors of ERG S.p.A.

**Board of Statutory Auditors:** the Board of Statutory Auditors of ERG S.p.A.

**Business Plan:** Business Plan, approved by the Board of Directors as and when required, after prior assessment by the Strategic Committee.

**Cap Price:** the ERG stock price, which determines the maximum number of Shares that can be allocated.

**CEO or Chief Executive Officer:** the Chief Executive Officer of ERG S.p.A.

**CHCO:** Chief Human Capital & ICT Officer.

**Committee or NRC or Nominations and Remuneration Committee:** board committee composed of 3 non-executive directors, all independent pursuant to the Consolidated Finance Act and the Corporate Governance Code.

**Consolidated Finance Act:** Italian Legislative Decree no. 58 of 24 February 1998, as amended .

**Corporate Governance Code:** the current Corporate Governance Code for Listed Companies, published on 31 January 2020, which the Board of Directors resolved to adopt on 15 October 2020.

**CRSC:** Control, Risk and Sustainability Committee; board committee composed of 3 non-executive directors, all independent pursuant to the Consolidated Finance Act and the Corporate Governance Code.

**EBT:** Consolidated earnings before adjusted IAS taxes net of financial income (expense).

**EDC:** Executive Deputy Chairman.

**ERG or the Company:** ERG S.p.A.

**ESG Plan:** ESG Plan, approved by the Board of Directors as and when required, after prior assessment by the Control, Risks and Sustainability Committee.

**Euronext Milan:** the screen-based stock exchange organised and managed by Borsa Italiana S.p.A. on which the Shares are listed.

**IR:** Regulations implementing Italian Legislative Decree no. 58 of 24 February 1998, as amended (Issuers' Regulations).

**Key Managers or KMs:** persons who hold the functions/offices indicated in Annex 1 to the current ERG Group Procedure for transactions with related parties (with the exception of the members of the Board of Directors and the Board of Statutory Auditors of ERG S.p.A.), available on the website of the Company ([www.erg.eu](http://www.erg.eu)) in the "Corporate Governance/Governance documents" section.

**MBO System:** Short-term monetary incentive system.

**Meeting or Shareholders' Meeting:** Meeting of Shareholders of ERG S.p.A.

**Minimum Financial Performance Condition:** the economic performance condition of the Plan, consisting of a predefined percentage of the Group EBITDA cumulated over the 2024-2026 period, inclusive of amortisation, depreciation and write-downs, financial charges and proceeds and taxes.

**2024-2026 Performance Share Plan or 2024-2026 LTI Plan:** Incentive plan based on medium/long-term financial instruments for the period 2024-2026.

**Performance Share:** Shares assigned free of charge upon achievement of a predetermined minimum performance level.

**Policy or Remuneration Policy:** the Policy setting the remuneration of the members of the Board of Directors and the Key Managers, approved by the Board of Directors as and when required.

**Procedure or Related Party Procedure:** Procedure for transactions with related parties aimed at ensuring the transparency and substantial and procedural correctness of transactions with related parties carried out directly by ERG or through its subsidiaries, most recently updated on 13 October 2022 in order to attribute to the Board of Directors the exclusive competence to decide on any transaction with related parties (including those of "Minor Significance"), being transactions in relation to which SQ Renewables S.p.A. exercises management and coordination activities with respect to ERG.



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**2025 Remuneration Policy or 2025 Policy:** the Policy adopted by ERG setting the remuneration of the members of the Board of Directors and the Key Managers with regard to 2025.

**2026 Remuneration Policy or 2026 Policy:** the Policy adopted by ERG setting the remuneration of the members of the Board of Directors and the Key Managers with regard to 2026.

**Report or Remuneration Report:** the Report on the remuneration of the members of the Board of Directors and the Key Managers, approved by the Board of Directors on 11 March 2026.

**Shares Allocated:** the conditional rights object of the Performance Share Plan, free of charge and not transferable inter vivos, each of which gives the Beneficiaries the right to be assigned free of charge 1 (one) Share under the terms and conditions specified by the Performance Share Plan Regulations.

**Shares Assigned:** the number of Shares calculated pursuant to the regulations of the Performance Share Plan and actually assigned.

**Shares or ERG stock:** ordinary ERG shares, listed on Euronext.

**SRD II Directive:** Directive 2017/828/EU which aims to strengthen the position of shareholders and encourage their long-term commitment over the life of listed companies in which they have invested.

**Strategic Committee:** board committee composed of 2 executive directors, 4 non-executive directors of which 1 independent pursuant to the Consolidated Finance Act and the Corporate Governance Code.

**Target Price:** the reference price of the ERG stock required to define the number of Shares to be assigned to each Beneficiary at the inception of the Plan and above which a predefined number of additional Shares will be allocated to the Beneficiaries, provided that the EBITDA Target was also achieved.

**TSR:** Total Shareholder Return, namely the total return on investment for shareholders, which is calculated by adding the increase in the share price, over a certain time interval, with the effect of the dividends per share paid during the same period.

**Updated Business Plan:** update of the 2024-2026 Business Plan, for the period 2025-2026, approved by the Board of Directors on 11 May 2025, after prior assessment by the Strategic Committee.

## **ERG S.p.A.**

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and coordination by SQ Renewables S.p.A.

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