



Ordinary Shareholders' Meeting of 22/23 April 2025

REPORT ON THE REMUNERATION POLICY AND THE FEES PAID

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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 2025 Policy has been developed in line with the governance model adopted by the Company and takes into account the broad support shown by shareholders and institutional investors for this overall framework.

Despite the uncertainties in the international scenario, ERG has confirmed its commitment to growing its renewable portfolio in the Wind & Solar sectors, following the strategic guidelines reflected in the Business Plan. This is being achieved through a selective approach to investments and increasing the flexibility of its asset portfolio with storage and hybridisation projects.

The guidelines for the 2025 Remuneration Policy have therefore been defined to ensure alignment of the remuneration structure and the incentive system with the Group's objectives and strategy, with a focus on sustainable success and long-term value creation. These guidelines also reaffirm the remuneration structure defined by the 2024 Policy.

Indeed, our policy continues to be based on fairness, consistency with business strategies, and the recognition of merit and performance. This approach is part of a governance system aimed at valuing talent and generating sustainable long-term value. A sustainable working environment is promoted through meritocracy, the development of new skills, and inclusion. Our Diversity and Inclusion (D&I) and Gender Equality policies, along with our fair remuneration strategy, reinforce an inclusive business model focused on growth.

In preparing the 2025 Policy, in continuity with previous years, we took into consideration the indications that emerged from the favourable vote of the Shareholders' Meeting of 23 April 2024, as well as the results of the engagement activities that we conducted with key proxy advisors, investors and stakeholders on corporate governance topics.

In particular, the 2024-2026 Performance Share plan has been designed to build on key elements of the previous plan (2021-2023), given the excellent results achieved in terms of long-term value creation, full management retention and alignment of interests between management and shareholders. The 2024-2026 Performance Share plan combines elements previously present, such as the gate clause, defined by a minimum economic performance condition, with several new factors. Among these is the introduction of different and distinct performance objectives linked to share price, operational growth parameters, and ESG topics. The increase in the number of performance indicators ensures a stronger connection with the pillars of the business plan, providing even greater consistency between corporate strategies and the incentive system. Furthermore, ESG topics are now configured not as a multiplier/demultiplier element, but as a specific system objective, in order to reinforce management's commitment to pursuing long-term sustainability goals. Additionally, in line with the recommendations of the Corporate Governance Code, the ownership requirement previously set out in the previous plan has been strengthened, extending both the lock-up clause, now set at 30% of the assigned shares, and the duration of the holding period, which has been extended to one year.

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

2025 REMUNERATION POLICY GUIDELINES

Fixed Remuneration	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.	
	Executive Deputy Chairman	Chief Executive Officer
Annual fee:	as members of the Board of Directors	
Determination:	shareholders' meeting decision	
Annual remuneration:	Executive Directors holding specific offices.	
Determination:	Board resolution - the annual remuneration amount is determined by benchmarking the posts held by them against a peer group consisting of FTSE MIB and MID CAP companies in the industrial sector comparable to ERG in terms of capitalisation, shareholding structure, distribution of powers and complexity.	
	Non-Executive Directors	
Annual fee:	as members of the Board of Directors	
Determination:	shareholders' meeting decision	
	Key Managers	
Annual earnings,	from employment.	
Determination:	the annual earnings amount is determined through specific market analyses in relation to roles with the same level of responsibility and managerial complexity with respect to the national markets in the industry sector.	

Short-Term Variable Remuneration	Aimed at achieving predetermined, measurable economic, financial, growth and sustainability objectives, in line with the budget.		
	Chief Executive Officer		Key Managers
MBO System	100% cash		MBO System 100% cash
Clawback clause	exercisable within 3 years		Clawback clause exercisable within 3 years
50% Corporate Objective EBT	Pay-out range: 50%-150% of the target Score < minimum threshold: 0% of the target bonus is paid out Score > maximum threshold: 150% of the target bonus is paid out		30% Corporate Objective EBT Pay-out range: 50%-150% of the target Score < minimum threshold: 0% of the target bonus is paid out Score > maximum threshold: 150% of the target bonus is paid out
20% Sustainability Objective¹	Pay-out range: 80%-120% of the target Score < minimum threshold: 0% of the target bonus is paid out Score > maximum threshold: 120% of the target bonus is paid out		10% Sustainability Target^{1 2} Pay-out range: 80%-120% of the target Score < minimum threshold: 0% of the target bonus is paid out Score > maximum threshold: 120% of the target bonus is paid out
30% Economic/ financial growth targets	Pay-out range: 80%-120% of the target Score < minimum threshold: 0% of the target bonus is paid out Score > maximum threshold: 120% of the target bonus is paid out		60% Individual Targets Pay-out range: 80%-120% of the target Score < minimum threshold: 0% of the target bonus is paid out Score > maximum threshold: 120% of the target bonus is paid out (sustainability, economics, business development and/or specific projects)

¹ Targets common to all beneficiaries of the MBO system.

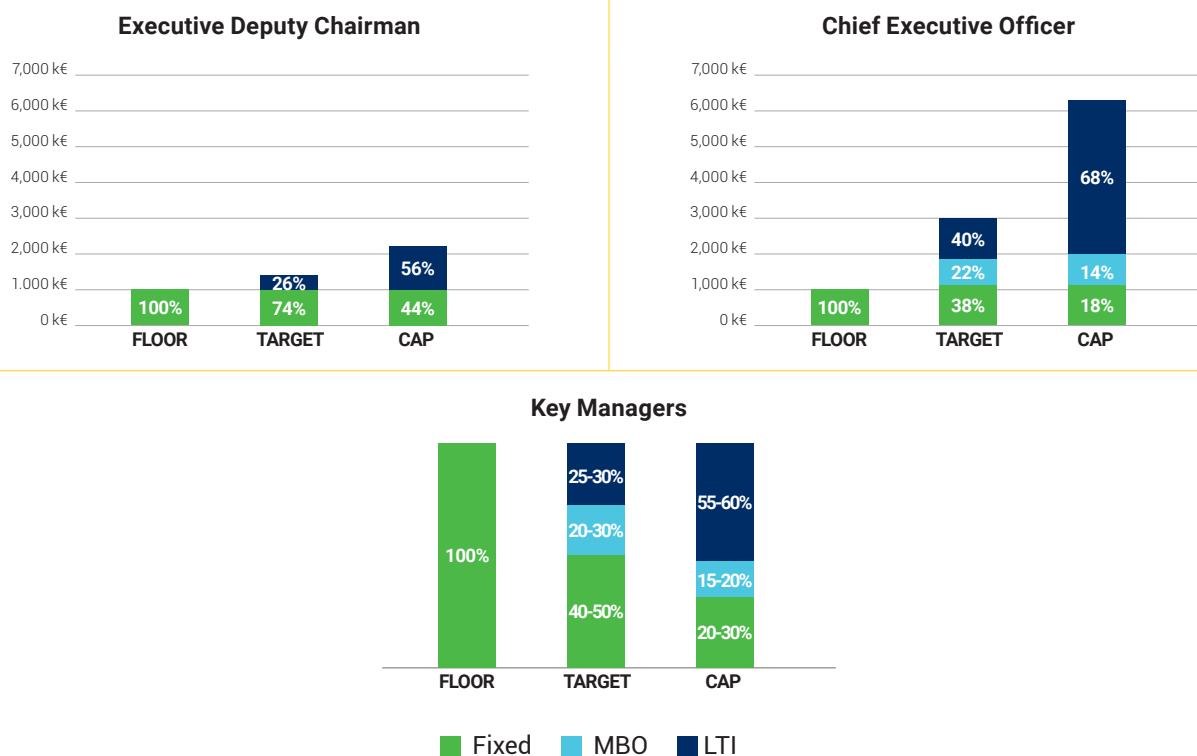
² Key Managers are assessed on sustainability topics both through the common sustainability target and with the individual targets linked to specific sustainability topics.

Long-Term Variable Remuneration	Aimed at 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.	
Executive Deputy Chairman	Chief Executive Officer	Key Managers
2024 – 2026³ LTI Plan		
Type	Performance Share	
Allocation	One-time allocation at the start of the plan	
Vesting Period	Three-year period 2024 - 2025 - 2026	
Access gate⁴	85% of the cumulative EBITDA for the three-year period 2024-2025-2026 as per the 2024-2026 Business Plan	
Pay out range	The Shares that can be allocated can vary up to a Cap of 300% of the Shares Assigned (SA), based on the following performance objectives:	
60% ERG share	<p>ERG share price</p> <p>p/sh ERG ≤ EUR 25 p/sh "Target Price": the Shares allocated are equal to 60% of the SA</p> <p>p/sh ERG ≥ EUR 32.5 p/sh "Cap Price": the Shares allocated are equal to 220% of the SA</p> <p>p/sh ERG <> between Target Price and Cap Price = Shares allocated are determined by interpolation⁵.</p>	
20% Growth	<p>Installed/Acquired production capacity in MW in the years 2024-2025-2026</p> <p>score < Floor: the Shares allocated are equal to 0% of the SA relating to this indicator</p> <p>score = 100% of the target: the Shares allocated are equal to 20% of the SA</p> <p>score ≥ Cap: the Shares allocated are equal to 40% of the SA</p> <p>score <> between Floor and Cap: the Shares allocated are determined by linear interpolation.</p>	
20% Sustainability	<p>Divided into 4 objectives linked to the sustainability pillars</p> <p>score < Floor: the Shares allocated are equal to 0% of the SA relating to this indicator</p> <p>score = 100% of the target: the Shares allocated are equal to 20%</p> <p>score ≥ Cap: the Shares allocated are equal to 40% of the SA</p> <p>score <> between Floor and Cap: the Shares allocated are determined by linear interpolation.</p>	
Vesting date	2027: date on which the shareholders' meeting approves the 2026 financial statements	
Lock-up	12-month duration on 30% of the Shares allocated	
Clawback clause	Exercisable within 3 years	

³ 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.

⁴ Minimum financial performance condition.

⁵ 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.

Pay Mix⁶

Non-Monetary Benefits

In a Total Reward approach, the compensation package is integrated with benefits, mainly in the form of pension and social security.

Executive Deputy Chairman

Chief Executive Officer

Key Managers

Medical assistance and insurance coverage against the risk of death and disability (which are subtracted from the annual compensation)

Company car for mixed use

Medical assistance, supplementary pension and insurance coverage against the risk of death and disability

Company car for mixed use

⁶ 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 with the maximum achievable performance (cap) of each objective (EBT 150%, other objectives 120%)

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 2025 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 2024 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 2024, 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 2025 Remuneration Policy was approved by the Board of Directors on 11 March 2025, 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 2024 is called upon to express its views on the Report with:

- ✓ a binding vote on the 2025 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) in the "Corporate Governance/2025 Shareholders' Meeting" section, at Borsa Italiana S.p.A. (www.borsaitaliana.it), and on the authorised storage platform eMarket Storage (www.emarketstorage.com).

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 11 March 2021, in order to take into account (i) the recommendations of the Corporate Governance Code and the Italian Committee for Corporate Governance in terms of sustainability, (ii) the amendments introduced by CONSOB, with resolution no. 21623 of 10 December 2020, to the Issuers' Regulations and to Scheme 7-bis of Annex 3A to the Issuers' Regulations, in implementation of the mandate assigned to it by the aforementioned Article 123-ter of the Consolidated Finance Act; and (iii) the essential elements of the 2021-2023 Performance Share Plan, (later approved by the Shareholders' Meeting of 26 April 2021);
- on 14 March 2022, in order to take into account (i) the changes that took place following the appointment of the Board of Directors, the appointment of the new Chief Executive Officer and the removal of the figure of General Manager, (ii) the resolution of the Board of Directors of 13 May 2021, with which the conditions necessary to implement the 2021-2023 LTI Plan were defined, in line with the current Remuneration Policy and in view of the Business Plan and the 2022-2026 ESG Plan, (iii) the approval of the Business Plan and ESG Plan following the sale of the hydroelectric business and the decision to sell the thermoelectric business (finalised in 2024);
- on 14 March 2023, in order to (i) further clarify the relationship between the remuneration of the Chief Executive Officer and that of the ERG group employees, (ii) provide additional information both on gender equality in topics of equal pay, in line with the Diversity & Inclusion policies promoted by the Nominations and Remuneration Committee, and on the topic of minimum pay, and (iii) explain the engagement plan with shareholders and the financial community.
- 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.

For the purposes of these latest updates, the Company – in continuity with previous practices – also took as reference some of the remuneration policies of the non-financial companies of the FTSE MIB index, with support from the consulting firm The European House – Ambrosetti.



2. SUMMARY OF THE MAIN CHANGES

The term of office of the current Board of Directors will expire on the date of the Shareholders' Meeting convened to approve the Financial Statements at 31 December 2026.

The 2025 Remuneration Policy has been largely consistent with the 2024 Policy. The key transparency measures introduced are aimed at reinforcing the Remuneration Policy's long-term focus, strengthening the link between the 2024-2026 Performance Share Plan, approved by the Board of Directors on 15 May 2024, and ERG's strategic pillars, particularly regarding the ESG component.

	Type	Impact
Main changes introduced with the 2024-2026 Performance Share Plan	Increase in indicators	Strengthen the link with the pillars of the Business Plan and the ESG Plan
	Increase in the weight of the ESG indicator	Consolidate management's focus on pursuing long-term sustainability objectives
	Introduction of the over-performance scenario	Encourage management to overcome the challenging objectives of the Business Plan and the ESG Plan and strengthen the Plan's retention and recognition capacity
	Increase in the percentage of shares subject to lock-up (30%) and the duration of the lock-up (12 months)	Increase the long-term approach of the Plan

For the purposes of preparing the 2025 Policy, account was taken of: (i) the recommendations of the Italian Corporate Governance Code and the Italian Committee for Corporate Governance, relevant to remuneration, most recently formulated in the communication of 17 December 2024, (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 23 April 2024 on the 2024 Policy and on the fees paid in 2023, paying particular attention 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 2024, carried out with the support of The European House Ambrosetti.

3. CONTRIBUTION TO THE STRATEGY

The Remuneration Policy pursues the principle of promoting sustainable value, with the priority objective of creating value for all our stakeholders. The 2025 Policy is defined with the aim of ensuring alignment with the company strategy, focused on long-term investments and sustainable performance over time. The Policy supports the achievement of the objectives defined in the Business Plan and in the ESG Plan through an adequate balancing of the remuneration elements with the primary aim of creating sustainable value for shareholders and other stakeholders in a medium-long term perspective.

Sustainable success

Sustainable success for ERG, shareholders and other stakeholders is pursued by integrating business with sustainability, or rather the objectives set forth in the Business Plans with those defined in the ESG Plans approved by the Board of Directors from time to time, with the primary objective of creating value over time for all stakeholders.

The ESG strategy, supported by appropriate financial discipline, has enabled us to identify the essential elements of our "Sustainability Pillars", for each of which objectives have been identified that the Company is committed to reaching, as have concrete actions to be put in place for such purpose.

ESG priorities



Net Zero 2040 objectives to continue the decarbonisation process
Circular Economy to minimise waste in repowering
Protection of Natural Capital: in our organic RES development



Sharing Value with local communities
ERG Academy to involve the future generation in the energy transition



Safety is a priority in all our actions
DEI&B⁽¹⁾ well-defined objectives to foster engagement and empowerment



Strengthening the governance model by promoting ethical and responsible business conduct
Involving the supply chain in decarbonisation, D&I and the protection of human rights






1) 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 (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 (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			●

Dialogue with stakeholders

ERG is committed to ensuring that there is open, timely, transparent and constructive dialogue with financial operators (institutional and retail investors) and with all stakeholders interested in learning about our Group, respecting the equal treatment of information, compliance with legislative and regulatory provisions and regulations on price-sensitive data. This commitment is realised through the use of multiple communication channels and the organisation of meetings with the financial services community, during which strategic guidelines and financial services and business objectives are presented.

Remuneration engagement plan:

Stakeholder	Stakeholder expectations	Engagement methods and activities
Shareholders and the Financial Community	Company strategy in the medium/long term period, value creation.	<p>Shareholders' Meeting Presentation of the Remuneration Policy. Comparative examination of the result of the Shareholders' Meeting vote with a focus on the position of minorities and the financial community.</p> <p>Presentations via streaming/webcast or conference calls regarding the economic and financial results for the period or other significant events for the ERG Group disclosed to the market</p> <p>Holding Roadshows, Investor Days or other meetings with one or more Stakeholders (other than the Shareholders' Meetings)</p> <p>Press releases Ongoing information about the Group's activities (press releases and news).</p>
	Representation of minorities.	
	Transparency and timeliness with regard to economic and financial information.	
	Sustainability and environmental and social topics	
	Corporate Governance	
Other stakeholders ⁷ (other than shareholders and the financial community)	Risk management and internal controls, remuneration policies	
	Company strategy in the medium/long term period, value creation.	
	Representation of minorities.	
	Transparency and timeliness with regard to economic and financial information.	
	Sustainability and environmental and social topics	
Corporate Governance		
Risk management and internal controls, remuneration policies		

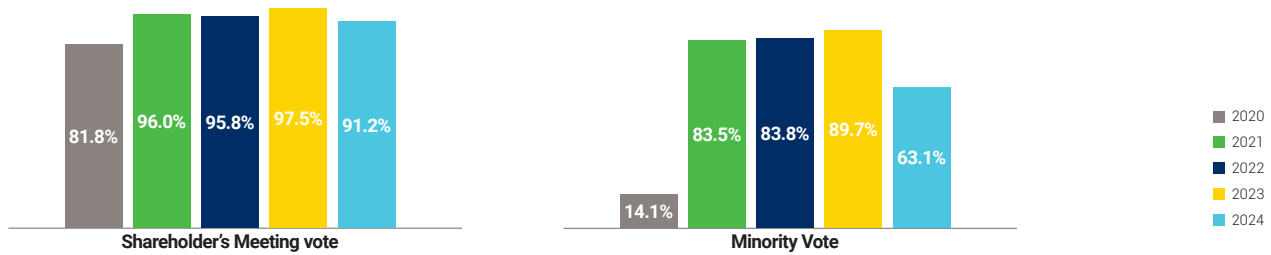
⁷ Any party with an interest in the ERG Group including institutions, business partners, local communities, future generations, ERG Group employees, trade unions, suppliers, customers and the media



During 2024, the Board of Directors approved the update of the stakeholder dialogue management policy, extending its scope of application; this policy describes the methods of interaction with investors and the main topics of discussion. We recognise the importance of ongoing dialogue with stakeholders, not only to adopt market best practices but also to gather valuable feedback for the development of our policies and strategies.

This context makes it particularly important to analyse proxy advisors' recommendations and voting policies, paying particular attention to how minority shareholders vote and how their positions evolve over time, so that we can constantly improve the adoption of market best practices, incorporating ideas for development.

Vote in favour on 2024 Policy Shareholders present (section 1)



As shown in the chart, the 2024 Remuneration Policy was approved with 91.2% of the total votes and the minority consensus stood at 63.1%; while section 2, "Fees paid in 2023", was approved with 79.8% of the total votes and 15.3% of the minorities.

The analysis conducted, also with the support of consulting firms, investors and proxy advisors, has highlighted positive consensus for the 2024 Policy, reaffirming overall appreciation from the Shareholders' Meeting. The possible areas for improvement that emerged in the engagement meetings held and following the resolutions of the new Board of Directors appointed on 23 April 2024, are attributable to greater disclosure on the elements and metrics (i) of the Business Plan and the 2024-2026 ESG Plan (ii) of the new 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.

All the above elements were included in the 2025 Policy by integrating and developing the information included in the 2024 Policy.

For 2025, 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.

SECTION I: 2025 REMUNERATION POLICY

4. 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 2025 Remuneration Policy and the responsibility for its correct implemen-

tation 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
Directors (Compensation)	NRC Board of Directors ⁸	Shareholders		Shareholders' Meeting
Executive Directors and/or Directors holding specific offices (Remuneration)	Chief Human Capital & ICT Officer	NRC	Board of Statutory Auditors	Board of Directors
Chief Executive Officer (Remuneration)	Chief Human Capital & ICT Officer	NRC	Board of Statutory Auditors	Board of Directors
Key Managers⁹	Chief Human Capital & ICT Officer	CEO and EDC	NRC	CEO ¹⁰
Board of Statutory Auditors	NRC Board of Directors ¹¹	Shareholders		Shareholders' Meeting

4.1 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 once a quarter. All members of the Board of Statutory Auditors attend the meetings of the Committee; in addition, the Chairman of the Board of Directors, the Executive Deputy Chairman and the Chief Executive Officer may attend, on invitation, as they are entitled to intervene on these topics and to identify suitable actions to address situations, even potentially critical ones. 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 2024 the Committee met 7 times with a 100% attendance rate of its members and an average meeting duration of 1 hour and 35 minutes.

⁸ 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.

⁹ 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.

¹⁰ 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.

¹¹ The Italian Committee for Corporate Governance recommends that the Board of Directors verifies, in particular, that the amount of remuneration paid to members of the control body is appropriate with respect to the skills, professionalism and commitment required of their office.



2024 Calendar of the meetings of the Nominations and Remuneration Committee and significant events in the context of the Remuneration Policy



*Executive or holding particular offices
** Key Managers

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

Directors¹² 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 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).

¹² 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 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 2025 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 2025 Policy.

5.1.2.1 MBO System

The 2025 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.

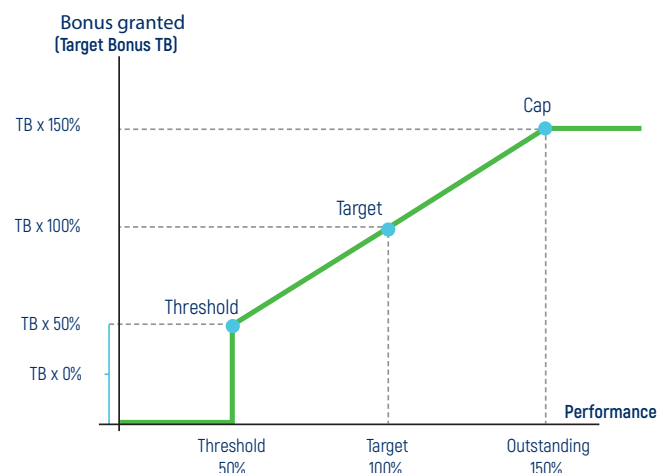
The system provides for the allocation of structured performance targets as a percentage of the target incentive amount assigned:

- 50% linked to the Group's consolidated EBT¹⁴ forecast for the year 2025 ("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:

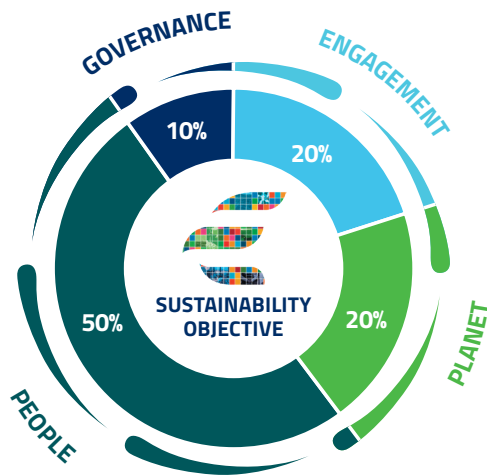
- Indicator score < minimum threshold: no amount paid;
- Indicator score = minimum threshold: 50% of the target bonus is paid;
- Indicator score = target: 100% of the target bonus is paid;
- Indicator score ≥ maximum threshold: 150% of the target bonus is paid;
- Indicator score between minimum and maximum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

Variability model of the Group consolidated EBT target



¹⁴ Consolidated earnings before adjusted IAS taxes.

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.



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. 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 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 2025 Policy.

5.1.2.2 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.

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 2024-2026 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.

15 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

16 Such as, by way of example, resignation for just cause or revocation without just cause.







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 2024–2026 ESG Plan and consists of the following sub-indicators:

Indicator weight	Pillars	Target
20%	 Planet	Net Zero Target: % green energy out of total consumption (Scope 2)
20%	 Engagement	Improvement in S&P CSA index rating
50%	 People	40% Predictive safety HSE: No fatalities and compliance with the Frequency index [internal + contractors]: general [IF] and severity [IF _{sev}]
		10% Diversity & Inclusion: no. women Key Leaders out of total Key Leaders
10%	 Governance	Sustainable Funding: maintaining a % of sustainable funding sources out of the total funding sources

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.

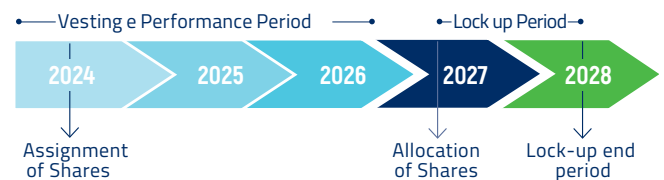
With regard to the **Growth Targets (20%)**, the incentive strategy envisages the following performance scenarios:

- 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 **termina-**

tion of the employment relationship and/or mandate by the beneficiaries under the 2024–2026 LTI Plan; in particular, (i) in “bad leaver”¹⁷ 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”¹⁸ 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 events¹⁹. 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 2024²⁰, 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 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.

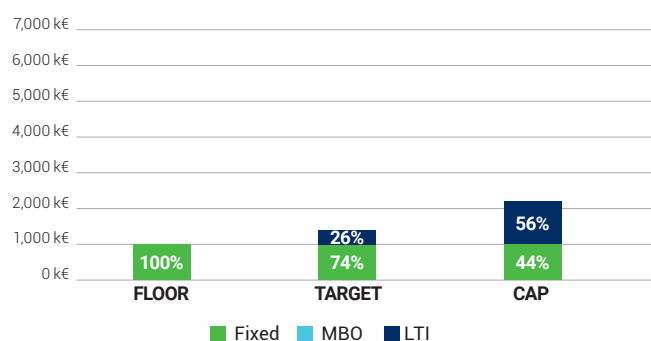
5.1.3 Remuneration balancing

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 overall annual fixed/variable balance are commensurate with the commitment required of each beneficiary, the system of proxies, granted by the Board of Directors, and their relevance to the achievement of the objectives of the 2024–2026 Business Plan and the 2024–2026 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 Chairman²¹



The remuneration package of the **Chief Executive Officer** in the target scenario provides that 66% of the total remuneration, in its annualised amount, is linked to the achievement of objectives defined ex-ante (pay for performance). 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.

¹⁷ 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.

¹⁸ 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

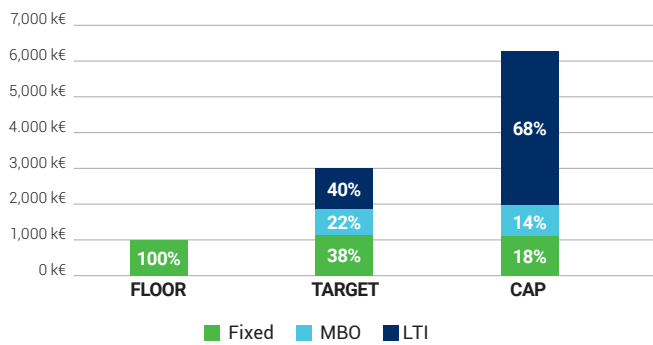
¹⁹ In the event that similar events occur, any revisions will be made within the provisions of Article 123-ter of the Consolidated Finance Act taking account of the Procedure for transactions with related parties.

²⁰ 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) in the “Governance/Remuneration Reports” section, at Borsa Italiana S.p.A. and on the authorised storage mechanism eMarket Storage (www.emarketstorage.com).

²¹ 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.



PAY MIX Chief Executive Officer^{21,22}



5.1.4 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 2025 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

5.1.5 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 relation-

ship 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 in the event of 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 2025 Policy.

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

5.2 KEY MANAGERS

Key Managers, other than Directors and Statutory Auditors, have been identified in accordance with the law²³ 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 prospects²⁴.

The remuneration policies defined for the KMs are defined by the Chief Executive Officer and the Executive Deputy Chairman as part of the 2025 Policy, with the support of the CHCO and the favourable opinion of the NRC²⁵.

5.2.1 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 incentive (monetary component of the annual MBO System);
- long-term incentive (LTI Plan based on shares), consisting of Performance Shares.

21 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.

22 The MBO cap value is calculated by multiplying the assigned target value with the maximum achievable performance (cap) of each objective (EBT 150%, other objectives 120%)

23 Consob Regulation no. 17221/2010 of 12 March 2010 and subsequent amendments and additions

24 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.

25 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.

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.

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 targets, and is regulated by the MBO System.

5.2.2 MBO System

The purpose of the MBO System is to incentivise participants to achieve predetermined economic/financial and strategic objectives with an annual time horizon.

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

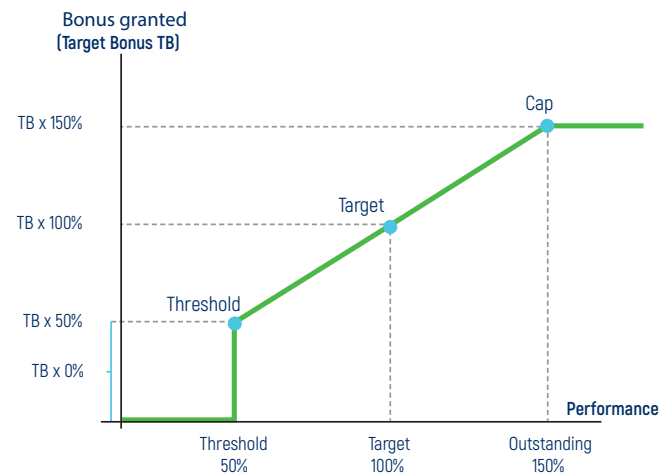
- 30% linked to EBT target: the same corporate target for all participants
- 10% connected to the Sustainability Target
- 60% linked to individual targets (maximum of 4) measured according to quantitative indicators linked to sustainability topics, economic and financial parameters (EBITDA, NFP, OpEx,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

It should be noted therefore that Key Managers are assessed on sustainability topics both through the common sustainability target and with the individual targets linked to specific sustainability topics.

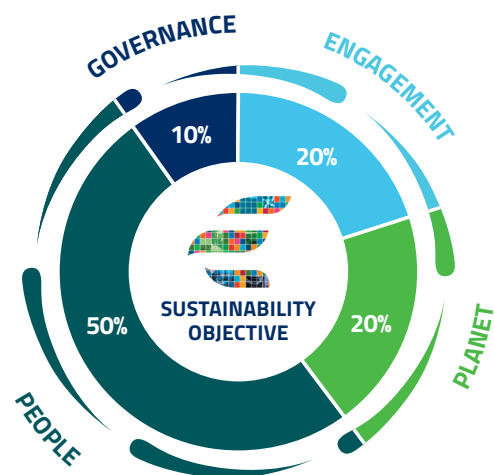
The EBT target (weight 30%) has variability between 0% and 150%, structured as follows:

- 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.



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.

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 Target²⁶ 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. 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.

5.2.3 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 5.1.2.2, 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.

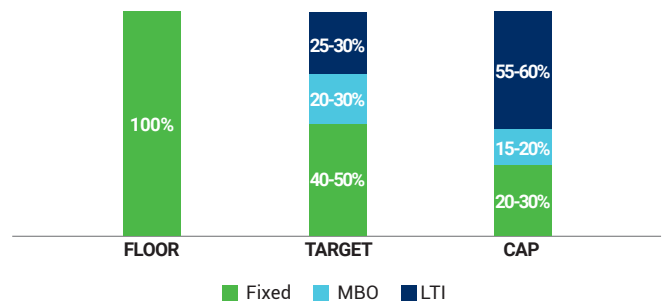
The target value is set based on external remuneration benchmarks (for the medium/long-term variable component of the remuneration) and the expected creation of value.

5.2.4 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 2025 Policy establishes a remuneration mix consistent with the managerial position held, as shown in the pay-mix graphs below:

PAY MIX Key Managers²⁷



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.

5.2.5 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 2025 Policy.

5.2.6 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 2025 Policy ensure both the application of the “pay for performance” principle and the successful alignment between the interests of shareholders and management.

5.2.7 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.

²⁶ 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.

²⁷ The histograms represent the average remuneration data in each scenario represented (Target and Cap).

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.

5.3 INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS

Reference is made to chapter 5.1.2.2.

5.4 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 appropriate 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

6. 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 2025 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.



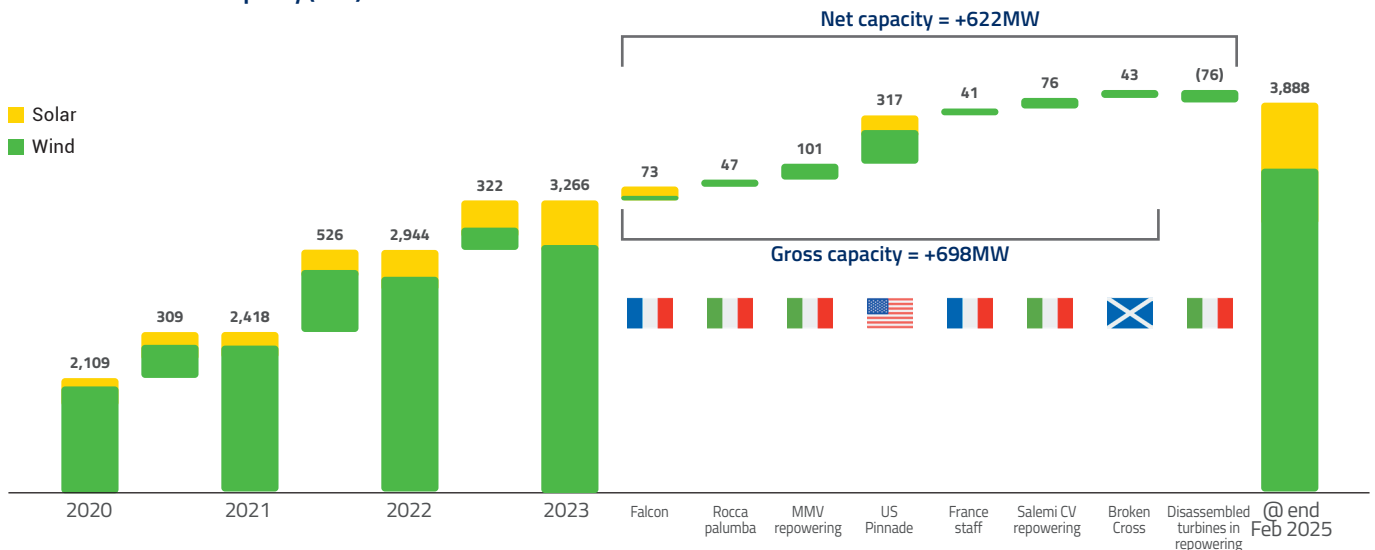
SECTION II: AMOUNTS PAID FOR 2024

7. PAY FOR PERFORMANCE

After the start of the industrial transformation that began in 2008, ERG radically changed its business portfolio, anticipating long-term energy scenarios and achieving a leading position in renewables not only in the Italian but also in the European market. ERG's is the story of a company that has been able to intercept and anticipate the energy trends of the future. With 85 years in the industry, ERG has chosen to take up the challenge of decarbonisation, completing its energy transition from oil to green ahead of other market players. In the not too distant past, when the renewables sector was still at an early stage of development, we embarked on a path that led to the radical transformation of our business model, effectively implementing our energy transition in little more than 10 years and acquiring a leading role in renewable generation. In 2023, ERG completed the sale of the Priolo combined cycle plant in Sicily, a major milestone for us because it marks ERG's definitive exit from fossil energy sources and the transformation into a pure renewable producer active in Italy and Europe.

In 2024, ERG approved its 2024-2026 Business Plan geared towards growing its RES portfolio in Europe and, also thanks to financial resources from asset rotation, continued to strengthen the Group's growth with a major execution, increasing its RES portfolio by 1,056 MW gross from the end of 2022 to date.

Evolution of installed capacity (MW)

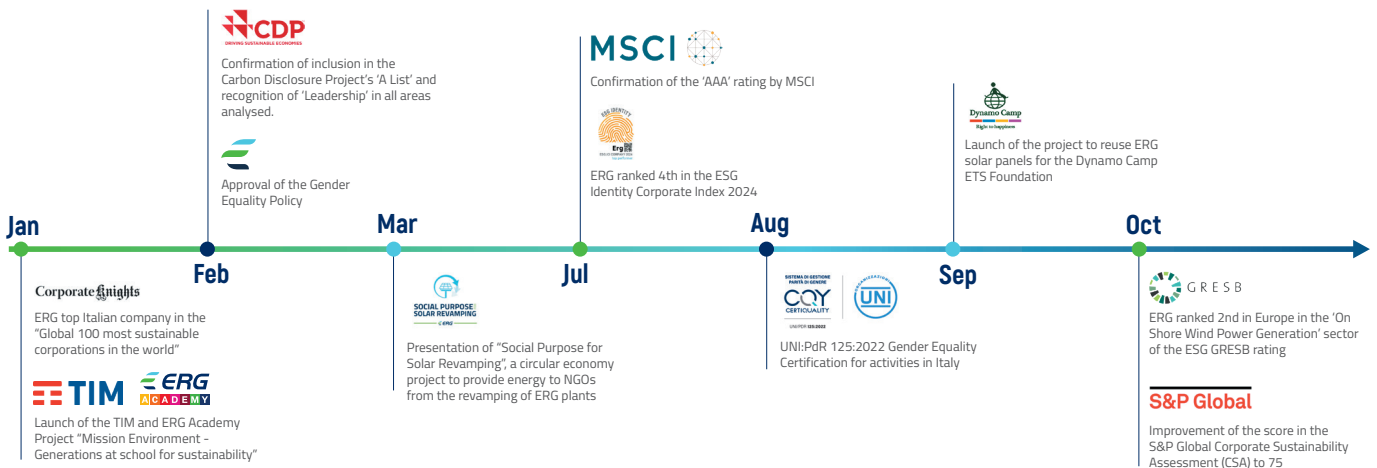


In February 2025, in line with the targets indicated to the market, the installed capacity stood at almost 3.9 GW, including among other things the capacity acquired in the United States (the acquisition of which was finalised on 24 April 2024) and the entry into operation of the third and fourth re-powered wind farms in Sicily (Mineo-Militello-Vizzini and Salemi Castelvetro respectively). Also included are the 43.2 MW of the Broken Cross wind farm (already in operation in Scotland), the economic effects of which start from January 2025, following the closing on 16 January 2025.

In terms of profitability, it should be noted that in 2024 revenue amounted to EUR 738 million, a slight decrease compared to 2023 (EUR 741 million), mainly due to a significant decrease in wind levels, compared to historical averages, recorded in the fourth quarter of 2024. This change in revenue was largely offset by the contribution made by the new capacity that came into operation.

In 2024, the group achieved an EBITDA, net of special items, of EUR 535 million (EUR 534 million in 2023) and an adjusted net profit of EUR 175 million (EUR 226 million in 2023).

Significant achievements in ESG since January 2024

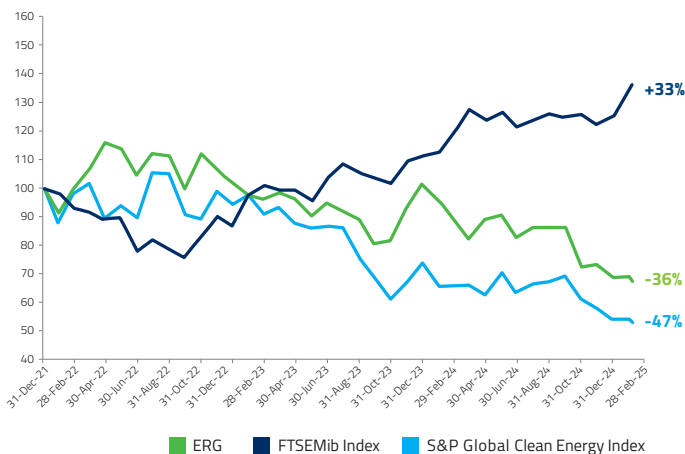


ERG share performance from 1/1/2022 to 28/2/2025

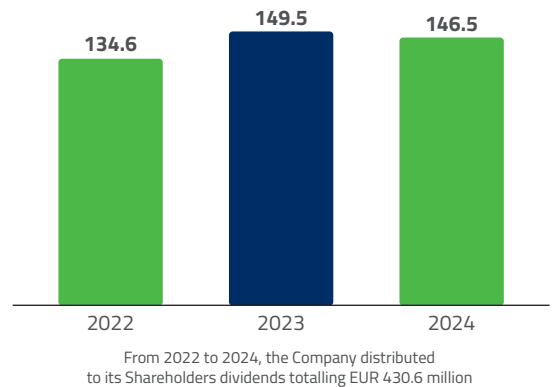
From 1 January 2022 to 28 February 2025, ERG remunerated its shareholders with dividends, net of minorities, for a total of approximately EUR 430.6 million, while the stock recorded a drop of 35.8%, a performance that was still 12 percentage points higher than the S&P Global Clean Energy Index, but around 69 percentage points lower than the average of the FTSE Mib Index, an index that groups the 40 main Italian listed companies and in which ERG entered starting from 29 November 2022, remaining until 20 December 2024.

Comparing it with major peers over the same time period, ERG's stock outperformed the average performance of its competitors by an impressive 15 percentage points, excluding peers involved in takeover bids.

ERG Share Performance vs FTSE Mib Index and S&P Global Clean Energy Index from 01/01/2022 to 28/02/2025



Remuneration of shareholders in the four-year period 2022-2024





7.1 GENERATE RESULTS AND SHARE SUCCESS

A fundamental principle of the ERG Group is to ensure equal opportunities of economic recognition for all its individuals, each in relation to their respective professional ability and characteristics. Furthermore, the Group takes an active approach to the implementation of policies and strict procedures aimed at preventing any conduct that is even potentially discriminatory. The Remuneration Policy focuses on recognising merit and building on the experience, skills and abilities of our people. Fairness, sustainability and selectivity are the main pillars underpinning the ERG Group's remuneration policy.

Specifically, ERG applies an integrated remuneration system to all its people. This system is common across all the States in which it operates, and consistent in terms of pay progression with the reference markets, in addition to being linked to company and individual performance, in compliance with local legislation. The market references used for this system are made up of, for each role, the median for the relevant sectors, thus guaranteeing the application of fair and competitive remuneration policies, with respect to the role and the professionalism acquired, that are able to support a decent standard of living, higher than mere subsistence levels and/or the legal or contractual minimums in force, as well as the minimum wages found on the local market.

Gender Pay Gap

ERG values gender pay equality across all levels and regularly monitors its progress. We believe that having a monitoring system is crucial to ensure that gender equality aligns with our Diversity and Inclusion policy. If not, we consider it important to promptly evaluate the situation.

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 qualifications²⁸. This involves calculating the ratio of average fixed and total compensation for female employees to that of male employees, both at the Group and Italian levels. The total pay ratio includes all Group employees.

Group % (women vs men)	Fixed remuneration			Total target remuneration		
	2024	2023	2022	2024	2023	2022
Total pay ratio	100	101	101	96	97	95
Senior Manager	99	94	90	99	93	92
Middle Managers and Professionals	99	100	97	97	97	94
Specialist	97	99	98	96	98	97

The data show a substantial alignment between the remuneration of the female and male population in line with our objectives (100% with reference to fixed remuneration and 96% with reference to total remuneration). The detailed analysis shows substantial 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 96% (97% in 2023).

The following graph shows the data referring only to Italy, the country in which the largest number of Group employees is employed, approximately 75%. Also in this case, there is a substantial balance at the overall level (100% with reference to fixed remuneration and 94% with reference to total remuneration). It should be noted that, also considering the CEO, the gender pay gap on fixed remuneration is 94% (95% in 2023).

Italy % (women vs men)	Fixed remuneration			Total target remuneration		
	2024	2023	2022	2024	2023	2022
Total pay ratio	100	101	103	94	96	96
Senior Manager	99	94	91	99	93	92
Middle Managers and Professionals	98	98	96	95	95	93
Specialist	102	102	101	102	102	101

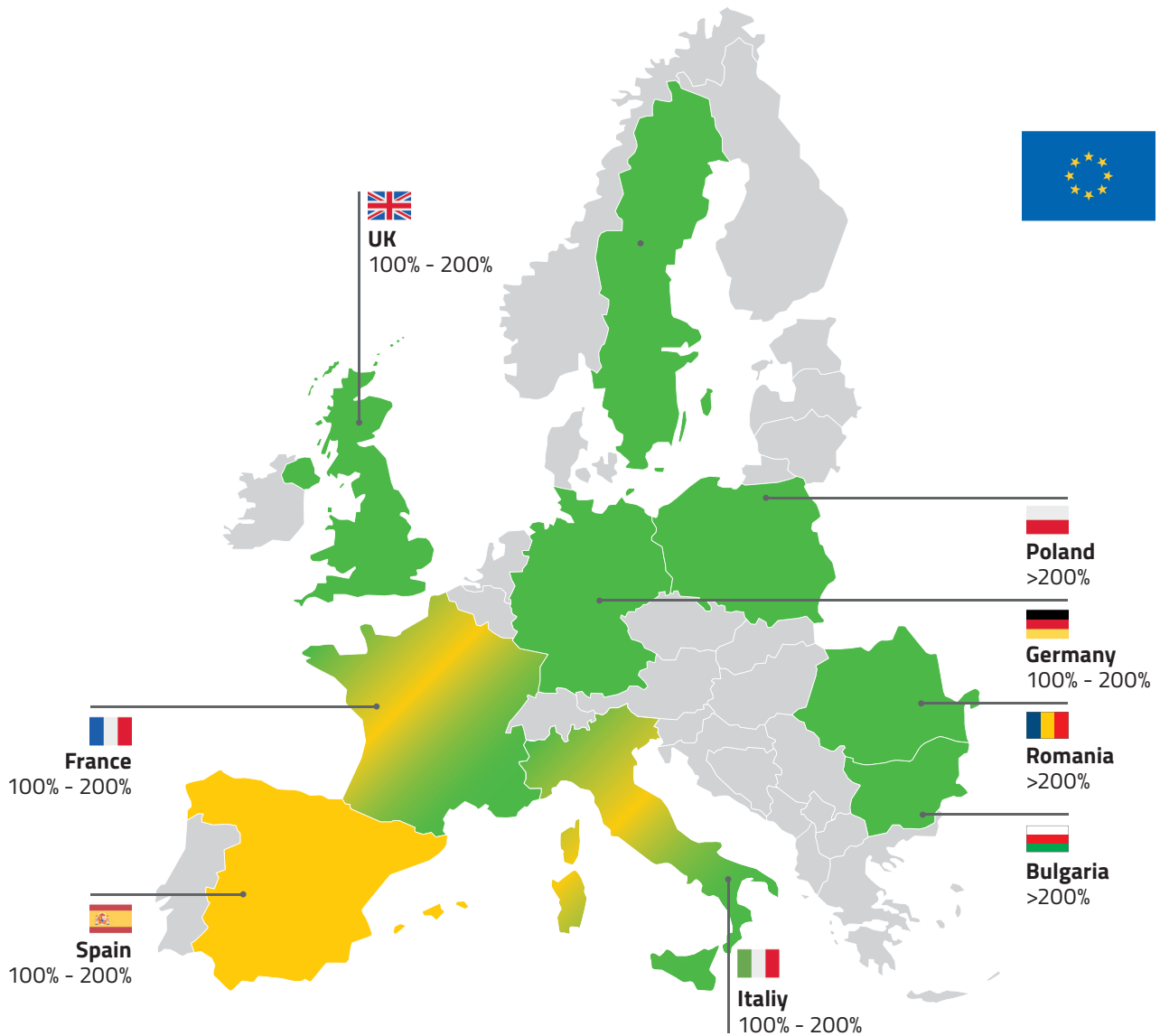
²⁸ Key Managers and Blue-collar Workers are therefore excluded.

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.

Minimum wage in Europe



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.



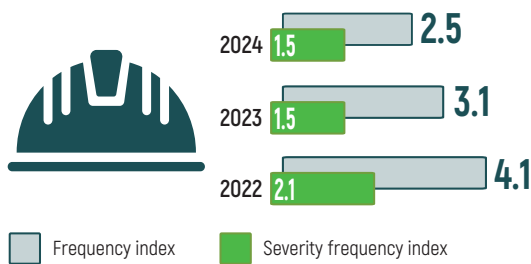
The safety of our people

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 sense²⁹.

The importance of these principles is also reflected in the mechanisms of 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 2024, 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 2024 recorded the following final figures:



As evident, there is a steady decline in both the overall frequency index (covering the entire group and including both internal and external incidents) and the severe frequency index. It should be noted that in 2024 there were no injuries to personnel within the group.

Unfortunately, the year 2024 was marked by a serious accident: in May, on the repowering construction site in Salemi, Sicily, a fatal accident occurred involving a worker from a subcontractor. The dynamics of the accident are still not completely clear, considering that the investigations are still ongoing³⁰.

²⁹ ERG Group Code of Ethics, most recently updated on 15 December 2023.

³⁰ In this regard, it should be noted that, in consideration of the above, the Company has decided to suspend the payment of the portion of the MBO System linked to the safety objective pending the conclusion of the investigations.

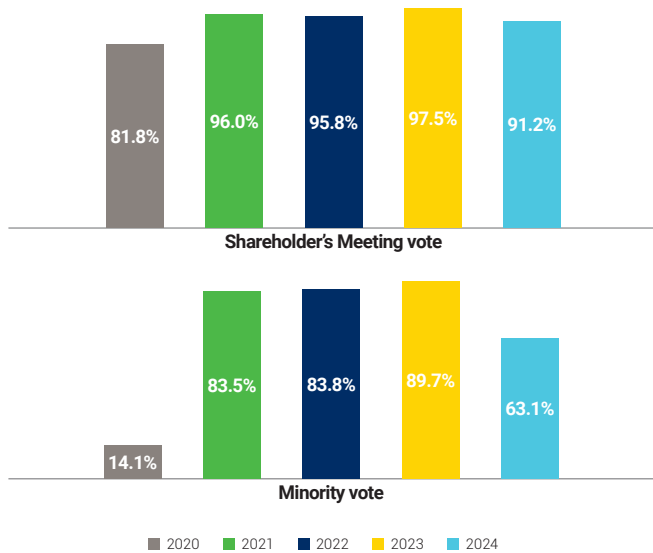
8. IMPLEMENTATION OF THE 2024 REMUNERATION POLICY

The remuneration policy implemented by the Company in 2024, with particular regard to the members of the Board of Directors and Key Managers, was coherent and consistent with the 2024 Remuneration Policy, which was approved by the Board of Directors on 12 March 2024 and received the favourable vote of the Shareholders' Meeting held on 23 April 2024.

Shareholders' Meeting vote

Throughout 2024, we continued our dialogue with stakeholders on remuneration-related topics. In the Meeting of 23 April 2024, the 2024 Remuneration Policy was approved with a positive vote of 91.2% of the shareholders present and 63.1% of the minorities present.

Favourable vote on the 2024 policy of the Shareholders present at the meeting



The analysis conducted, also with the support of consulting firms, investors and proxy advisors, has highlighted positive consensus for the 2024 Policy, reaffirming overall appreciation from the Shareholders' Meeting. The possible areas for improvement that emerged in the engagement meetings held during the year and following the renewal the Board of Directors in April 2024, are attributable to greater disclosure on the elements and metrics (i) of the Business Plan and the 2024-2026 ESG Plan (ii) of the new 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.

8.1 BOARD OF DIRECTORS

8.1.1 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**, *pro rata temporis*³¹, 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**, *pro rata temporis*³¹, 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.

The remuneration indicated above is aligned with the values determined by the Shareholders' Meeting of 26 April 2023 with reference to the previous Board of Directors, NRC and CRSC.

8.1.2 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*³¹ 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, Elisabetta Oliveri, Barbara Poggiali and Renato Pizzolla) EUR 60,000.

It should be noted that for the Chief Executive Officer alone, the Board of Directors has approved an increase in fixed remuneration of 15% (equal to EUR 150,000 per year) compared to the fixed remuneration approved for the 2021-2023 term of office.

Short-term variable component

In line with the 2024 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 2025, at the proposal of the NRC, having heard the opinion of the Board of Statutory Auditors, the Board of Directors ascertained that the Chief Executive Officer had reached a level equal to

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



109% of the target value of the MBO, corresponding to 64% of the fixed remuneration, of which the portion of the sustainability indicator disbursed represents 14% of the fixed remuneration. The graph below shows the level of achievement of each performance target.

Performance objective	Weight	Unit of measurement	Target	Result	Minimum 50%	Target 100%	Cap 150%	Target result	Weighted score
Group Result	50%							100%	50%
EBT (Earning Before Tax) adjusted		€ m	244	244				100%	
					Minimum 80%	Target 100%	Cap 120%		
Sustainability	20%							120%	24%
Planet: Circular Wind Repowering recovery of materials and/or energy	2%	%	98%	100%				120%	
Planet: Circular Solar Revamping recovery of materials and/or energy	2%	%	90%	92%				120%	
Engagement: Education for Next Generation: number of youngsters involved in training programmes on sustainability and renewables	2%	Quantity	23,500	25,400				120%	
Engagement: Social Purpose for Solar Revamping (number of projects carried out)	2%	Quantity	3 projects	4 projects				120%	
People: Predictive Safety HSE	8%	Index	IF < 4,20 IFS < 1,90 No fatalities	IF = 2,49 IFS = 1,50 No fatalities				120%	
People: Incidence of women in workforce increase	2%	%	30%	42%				120%	
Governance: No. of boosted projects 1. Internal implementation of the CSRD Adjustment Plan 2. % increase in volume of suppliers monitoring their Carbon Footprint (+2% vs. baseline 2023) 3. Sustainable Procurement: average supplier scoring ≥64 points	2%	Quantity	2 projects	3 projects				120%	
Growth Objective	30%							117%	35%
Installed production capacity		MW	600	660				117%	
Total	100%								109%

Long-term variable component

During 2024, the 2021-2023 Performance Share Plan was finalised in favour of the Chief Executive Officer (Paolo Luigi Merli) and the Executive Deputy Chairman (Alessandro Garrone). Following the conclusion of the vesting period of the 2021-2023 Performance Share Plan, on 3 May 2024, the following shares were allocated.

Office	Shares Assigned	Shares Allocated	of which 8 month lock-up ³²
CEO Paolo Luigi Merli	135,870	292,936	73,234
EDC Alessandro Garrone	47,554	102,527	25,632

³² starting from the assignment date

³³ Pay mix of the remuneration accrued in 2024 by the Chief Executive Officer, 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.

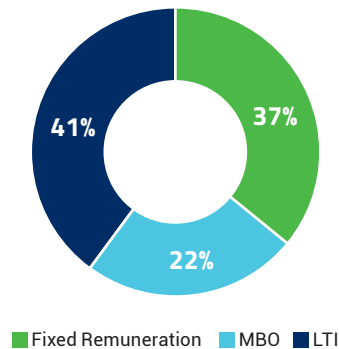
It should be noted that this allocation is not attributable to the remuneration relating to 2024 as the 2021-2023 LTI Plan vested in 2023. For further details in this regard, reference is made to the previous Report on the Remuneration Policy and the amounts paid out.

As regards the new 2024-2026 LTI Plan, 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 5.1.2.2 of this document.

Chief Executive Officer: Final pay mix³³



Quantification of Remuneration

The total remuneration amount and its target composition was determined, with the support of The European House Ambrosetti, 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 2024 Policy was supplemented with the inclusion of two new companies, and, therefore, the reference panel is currently composed of: Amplifon, Brembo, Brunello Cucinelli, De' Longhi, Italgas, Iveco, Leonardo, Maire Tecnimont, Pirelli, Prysmian, Recordati, Saipem, Telecom Italia, Technogym and Tod's. 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 2024 Policy approved by the Shareholders' Meeting of 23 April 2024.

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 2024 in relation to termination of office or termination of employment and no agreements were signed to that effect.

Ex-post correction mechanism

During 2024, no ex-post correction mechanisms were used for the variable component and the remuneration paid in 2024 and in previous years.

8.2 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 2024 Policy.

Pursuant to the Procedure, the following Key Managers have been identified: Chief Business Development and M&A Officer³⁴, Chief Engineering Development Officer³⁵, 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 2024 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 purpose of the payment of the 2024 annual incentives, 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 2025, ascertained the achievement of the result related to (i) the Consolidated EBT (weight 30%) at 100% of the target value (ii) the Sustainability Target (weight 10%) at 120% of the target value. The results of the Individual Targets (weight 30%) will be approved by the Chief Executive Officer in accordance with the MBO System regulations.

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

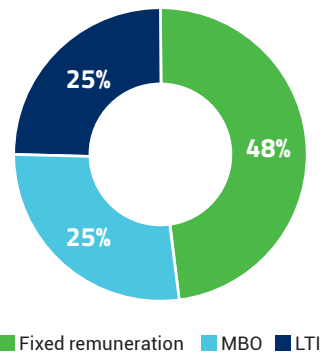
Performance objective	Weight	Unit of measurement	Target	Result	Minimum 50%	Target 100%	Cap 150%	Target result
Group Result	30%							100%
EBT (Earning Before Tax) adjusted		€ m	244	244				100%
					Minimum 80%	Target 100%	Cap 120%	
Sustainability	10%							120%
Planet: Circular Wind Repowering recovery of materials and/or energy	1%	%	98%	100%				120%
Planet: Circular Solar Revamping recovery of materials and/or energy	1%	%	90%	92%				120%
Engagement: Education for Next Generation: number of youngsters involved in training programmes on sustainability and renewables	1%	Quantity	23,500	25,480				120%
Engagement: Social Purpose for Solar Revamping (number of projects carried out)	1%	Quantity	3 projects	4 projects				120%
People: Predictive Safety HSE	4%	Index	IF < 4, 20 IFs < 1,90 No fatalities	IF = 2,49 IFs = 1,50 No fatalities				120%
People: Incidence of women in workforce increase	1%	%	30%	42%				120%
Governance: No. of boosted projects 1. Internal implementation of the CSRD Adjustment Plan 2. % increase in volume of suppliers monitoring their Carbon Footprint (+2% vs. baseline 2023) 3. Sustainable Procurement: average supplier scoring ≥64 points	1%	Quantity	2 projects	3 projects				120%
Personal Targets	60%							
Total	100%							

Medium/long-term variable component

During 2024, the 2021-2023 Performance Share Plan was finalised as illustrated above (section 8.1.2 in the paragraph relating to the medium/long-term incentive). Following the final balance, on 3 May 2024, a total of 169,900 Shares were allocated to the KMs against a target allocation of 78,803, of which 42,475 subject to 8-month lock-up³⁶.

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.

Key Managers: Final pay mix³⁷



34 During 2025, the name was changed to Corporate Strategy and M&A Officer
 35 During 2025, the name was changed to Business Development, Engineering & Construction
 36 starting from the assignment date
 37 Pay mix of the remuneration accrued in 2024, taking into account the fixed component and the short-term variable component of remuneration indicated by the columns "fixed remuneration", "non-equity variable remuneration – Bonus and other incentives" and "Fair value of Equity remuneration" of Graph 1 of this Section.



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 2024, 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.

Termination of office or discontinuation of the employment relationship

It should be noted that no indemnities were paid to Key Managers during 2024 in relation to termination of office or termination of employment and no agreements were signed to that effect.

Ex-post correction mechanism

During 2024, no ex-post correction mechanisms were used for the variable component and the remuneration paid in 2024 and in previous years.

8.3 INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS

Consistently with the 2024 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.

8.4 BOARD OF STATUTORY AUDITORS

The Shareholders' Meeting of 26 April 2022 (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 2024, (ii) determined the remuneration for the Chairwoman of the Board of Statutory Auditors and for the other two standing auditors.

The Board of Statutory Auditors consists of three standing members and three alternate members.

With regard to the year 2024, the annual remuneration paid to the members of the Board of Statutory Auditors is broken down 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	2024	2023	2022	2021	2020
TSR	(1)	-29%	3%	5%	25%	26%
	(2)	3%	4%	-13%	21%	-5%
EBITDA adj	(3)	535	520	502	580	481
Edoardo Garrone	(2)	0%	0%	-7%	-12%	0%
<i>Chairman</i>	(4)	710	710	710	760	860
Alessandro Garrone	(2)	0%	0%	-6%	-11%	0%
<i>Executive Deputy Chairman</i>	(4)	1,005	1,004	1,004	1,070	1,204
Giovanni Mondini	(2)	0%	0%	-19%	-28%	0%
<i>Deputy Chairman</i>	(4)	214	214	214	263	364
Luigi Paolo Merli	(2)	15%	-6%	25%	100%	n.a.
<i>Chief Executive Officer</i>	(4)	1,812	1,578	1,677	1,342	-
Luca Maria Bettonte	(2)	0%	0%	50%	100%	n.a.
<i>Director</i>	(4)	130	130	130	87	-
Federica Lolli	(2)	0%	0%	50%	100%	n.a.
<i>Director</i>	(4)	150	150	150	100	-
Marina Natale	(2)	100%	n.a.	n.a.	n.a.	n.a.
<i>Board Member since 23/04/2024</i>	(4)	77	-	-	-	-
Elisabetta Oliveri	(2)	13%	0%	0%	0%	0%
<i>Director</i>	(4)	198	175	175	175	175
Renato Pizzolla	(2)	0%	238%	100%	n.a.	n.a.
<i>Director</i>	(4)	130	130	38	-	-
Elisabetta Caldera	(2)	100%	n.a.	n.a.	n.a.	n.a.
<i>Board Member since 23/04/2024</i>	(4)	70	-	-	-	-
Barbara Poggiali	(2)	100%	n.a.	n.a.	n.a.	n.a.
<i>Board Member since 23/04/2024</i>	(4)	87	-	-	-	-
Daniela Toscani	(2)	100%	n.a.	n.a.	n.a.	n.a.
<i>Board Member since 23/04/2024</i>	(4)	47	-	-	-	-
Emanuela Bonadiman	(2)	-67%	0%	50%	100%	n.a.
<i>Board Member since 23/04/2024</i>	(4)	35	105	105	70	-



Definition / Name	Notes	2024	2023	2022	2021	2020
Maria Anna Rita Caverni	(2)	-67%	0%	0%	0%	0%
<i>Board Member since 23/04/2024</i>	(4)	38	115	115	115	115
Mario Paterlini	(2)	-67%	0%	0%	0%	0%
<i>Board Member since 23/04/2024</i>	(4)	23	70	70	70	70
Elena Grifoni Winters	(2)	-67%	0%	50%	100%	n.a.
<i>Board Member since 23/04/2024</i>	(4)	35	105	105	70	-
Monica Mannino	(2)	0%	100%	n.a.	n.a.	n.a.
<i>Statutory Auditor since 26/04/2023</i>	(4)	70	47	-	-	-
Fabrizio Cavalli	(2)	0%	21%	65%	0%	50%
<i>Statutory Auditor</i>	(4)	80	80	66	40	40
Giulia De Martino	(2)	0%	50%	100%	n.a.	n.a.
<i>Statutory Auditor</i>	(4)	50	50	33	-	-
Dipendenti Gruppo Erg	(2)	4%	1%	3%	2%	0%
<i>Gross annual compensation</i>	(5)	62	60	59	57	56

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

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.

Pay Ratio

	Fixed remuneration ³⁸			Total remuneration ³⁹		
	2024	2023	2022	2024	2023	2022
Average pay ratio of employees	21	19	19	29	26	28
Median pay ratio of employees	23	21	21	35	32	33

38 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.

39 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.

9. AMOUNTS PAID IN 2024

The following graphs set out details of the remuneration 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 compensation	(6) Total	(7) Fair Value of equity fees(*)	(8) Severance indemnities for end of office or termination of employment
						Bonus and other incentives	Share of profit					
Edoardo Garrone	Chairman	01.01.2024 31.12.2024	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				693,545	-	-	-	16,455	-	710,000	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				693,545	-	-	-	16,455	-	710,000	-	-
Alessandro Garrone	Executive Deputy Chairman	01.01.2024 31.12.2024	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				983,824	-	-	-	21,246	-	1,005,070	412,172	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				983,824	-	-	-	21,246	-	1,005,070	412,172	-
Giovanni Mondini	Deputy Chairman	01.01.2024 31.12.2024	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				196,258	-	-	-	17,502	-	213,760	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				196,258	-	-	-	17,502	-	213,760	-	-
Luigi Paolo Merli	Chief Executive Officer	01.01.2024 31.12.2024	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				1,087,921	-	709,150 ⁽¹⁾	-	14,966	-	1,812,037	1,413,161	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				1,087,921	-	709,150	-	14,966	-	1,812,037	1,413,161	-
Luca Bettonte	Director	01.01.2024 31.12.2024	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				70,000	60,000 ⁽²⁾	-	-	-	-	130,000	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				70,000	60,000	-	-	-	-	130,000	-	-
Elisabetta Caldera	Director	23.04.2024 31.12.2024	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				46,667	23,333 ⁽⁵⁾	-	-	-	-	70,000	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				46,667	23,333	-	-	-	-	70,000	-	-
Federica Lolli	Director	01.01.2024 31.12.2024	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				70,000	80,000 ⁽³⁾	-	-	-	-	150,000	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				70,000	80,000	-	-	-	-	150,000	-	-



(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 compensation	Total	Fair Value of equity fees(*)	Severance indemnities for end of office or termination of employment
						Bonus and other incentives	Share of profit					
Marina Natale	Director	23.04.2024 31.12.2024	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				46,667	30,000 ⁽⁴⁾	-	-	-	-	76,667	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				46,667	30,000	-	-	-	-	76,667	-	-
Elisabetta Oliveri	Director	01.01.2024 31.12.2024	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				70,000	128,333 ⁽³⁾	-	-	-	-	198,333	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				70,000	128,333	-	-	-	-	198,333	-	-
Renato Pizzolla	Director	01.01.2024 31.12.2024	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				70,000	60,000 ⁽²⁾	-	-	-	-	130,000	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				70,000	60,000	-	-	-	-	130,000	-	-
Barbara Poggiali	Director	23.04.2024 - 31.12.2024	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				46,667	40,000 ⁽²⁾	-	-	-	-	86,667	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				46,667	40,000	-	-	-	-	86,667	-	-
Daniela Toscani	Director	23.04.2024 31.12.2024	04/2027									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				46,667	-	-	-	-	-	46,667	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				46,667	-	-	-	-	-	46,667	-	-
Emanuela Bonadiman	Director	01.01.2024 23.04.2024	04/2024									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				23,333	11,667 ⁽⁶⁾	-	-	-	-	35,000	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				23,333	11,667	-	-	-	-	35,000	-	-
Mara Anna Rita Caverni	Director	01.01.2024 23.04.2024	04/2024									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				23,333	15,000 ⁽⁷⁾	-	-	-	-	38,333	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				23,333	15,000	-	-	-	-	38,333	-	-
Mario Paterlini	Director	01.01.2024 23.04.2024	04.2024									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				23,333	-	-	-	-	-	23,333	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				23,333	-	-	-	-	-	23,333	-	-

(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 compensation	Total	Fair Value of equity fees(*)	Severance indemnities for end of office or termination of employment
						Bonus and other incentives	Share of profit					
Elena Grifoni Winters	Director	01.01.2024 23.04.2024	04.2024									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				23,333	11,667 ⁽⁶⁾	-	-	-	-	35,000	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				23,333	11,667	-	-	-	-	35,000	-	-
Monica Mannino	Chairwoman of the Board of Statutory Auditors	01.01.2024 31.12.2024	04.2025		-							
(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	-	-
Fabrizio Cavalli	Standing Auditor	01.01.2024 31.12.2024	04.2025									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				50,000	-	-	-	-	-	50,000	-	-
(II) Fees from subsidiaries and associated companies				30,000 ⁽⁸⁾	-	-	-	-	-	30,000	-	-
(III) Total				80,000	-	-	-	-	-	80,000	-	-
Giulia De Martino	Standing Auditor	01.01.2024 31.12.2024	04.2025									
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				50,000	-	-	-	-	-	50,000	-	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				50,000	-	-	-	-	-	50,000	-	-
Key Managers⁽⁹⁾	Directors in subsidiaries and division managers											
(I) Fees in the company preparing the financial statements (ERG S.p.A.)				1,255,714	-	663,000 ⁽¹⁰⁾	-	48,500	-	1,967,215	976,259	-
(II) Fees from subsidiaries and associated companies				-	-	-	-	-	-	-	-	-
(III) Total				1,255,714	-	663,000	-	48,500	-	1,967,215	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 2025, on the level of achievement of the objective and specific annual targets for 2024, which were assigned by the Board itself in the meeting of 15 May 2024.
- (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 Nominations and Remuneration Committee (Appointment BoD 26/04/2021)
- (7) Remuneration for participation in the Control, Risk and Sustainability Committee (Appointment BoD 26/04/2021)
- (8) Remuneration for role as Chairman 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 2024 financial year, held the position of Key Manager (a total of 6).
- (10) MBO value attributable to 2024 which will be paid in May 2025



10. 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	
			(I) Fees in the company preparing the financial statements						
Paolo Luigi Merli	Chief Executive Officer	MBO System ⁽¹⁾	709,150	-	Anno 2024	-	-	-	-
Key Managers	Directors in subsidiaries and division managers	MBO System ⁽²⁾	663,000	-	Anno 2024	-	-	-	-
(I) Total			1,372,150	-	-	-	-	-	-

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 2025, on the level of achievement of the objective and specific annual targets for 2024, which were assigned by the Board itself in the meeting of 15 May 2024.

(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 2025 (ii) at the target level in relation to the personal targets that will be approved by the Chief Executive Officer.

11. 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	Assignment date	Market price on award	No. and Type	No. and Type (1)	Value at vesting date (2)	Fair Value
Alessandro Garrone	Executive Deputy Chairman	Performance Share 2021-2023 BoD 13/05/2021									102,527 Erg S.p.A. shares	2,645,637	
		Performance Share 2024-2026 BoD 15/05/2024			42,000 ordinary shares	1,236,516	three years	16/05/2024	26.94				412,172
Paolo Luigi Merli	Chief Executive Officer	Performance Share 2021-2023 BoD 13/05/2021									292,936 Erg S.p.A. shares	7,559,008	
		Performance Share 2024-2026 BoD 15/05/2024			144,000 ordinary shares	4,239,482	three years	16/05/2024	26.94				1,413,161
Altri Dirigenti con Responsabilità Strategiche	6	Performance Share 2021-2023 BoD 13/05/2021									169,900 Erg S.p.A. ordinary shares	4,384,151	
	6	Performance Share 2024-2026 BoD 15/05/2024			99,480 ordinary shares	2,928,777	three years	16/05/2024	26.94				976,259
Other Managers	15	Performance Share 2021-2023 Cda 13/05/2021									143,243 Erg S.p.A. ordinary shares	3,696,285	
	28	Performance Share 2024-2026 Cda 15/05/2024			159,480 ordinary shares	4,695,228	three years	16/05/2024	26.94				1,565,076

Notes to the Graph 3A

- (1) The graph shows the total number of ERG S.p.A. shares relating to the 2021-2023 LTI Plan allocated to the beneficiaries following the finalisation of the Plan's objectives, of which 25% is bound by the lock-up clause lasting 8 months from the date of allocation.
- (2) The figure was determined based on the market value of ERG S.p.A. shares on 3 May 2024, equal to EUR 25.80 per share



12. COMPENSATION PLANS BASED ON FINANCIAL INSTRUMENTS

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

With regard to the 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), 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 awarded 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	Award date	Purchase price of instruments, if any	Market price on award	Vesting periodg
Alessandro Garrone	Executive Deputy Chairman	26/04/2024	Azioni	42,000	16/05/2024	Treasury shares	26.94	3 years
Paolo Luigi Merli	Chief Executive Officer	26/04/2024	Azioni	144,000	16/05/2024	Treasury shares	26.94	3 years
Key Managers	6	26/04/2024	Azioni	99,480	16/05/2024	Treasury shares	26.94	3 years
Other Managers	8	26/04/2024	Azioni	159.480	16/05/2024	Treasury shares	26.94	3 years

13. EQUITY INVESTMENTS HELD IN 2024

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 bought ⁽¹⁾	Number of shares sold ⁽¹⁾	Number of shares held at the end of the current year
Alessandro Garrone ⁽²⁾	Executive Deputy Chairperson	ERG S.p.A.	0	102,527	50,000	52,527
Paolo Luigi Merli ⁽²⁾	Chief Executive Officer	ERG S.p.A.	56,000	292,936	138,000	210,936
Luca Bettonte ⁽²⁾	Director	ERG S.p.A.	91,000			91,000
Mario Paterlini ⁽²⁾	Director	ERG S.p.A.	800			800
Elisabetta Oliveri ⁽²⁾	Director	ERG S.p.A.	2,000			2,000
Dirigenti Strategici ⁽²⁾	-	ERG S.p.A.	20.300	169,900	48,888	141.312

(1) The 2024 movements include the shares allocated on 3 May 2024 following the conclusion of the vesting period of the 2021-2023 Performance Share Plan and the shares sold for the purpose of fulfilling the tax obligations connected to the shares allocated.

(2) 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:

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

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

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

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.

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.

CHCO: Chief Human Capital & ICT Officer.

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.

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

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.

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.

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.

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

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) in the "Corporate Governance/Governance documents" section.

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.

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

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

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

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

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

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.

2024 Remuneration Policy or 2024 Policy: the Policy adopted by ERG setting the remuneration of the members of the Board of Directors and the Key Managers with regard to 2024.

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.



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 of ERG.

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

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.

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

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 2025.

MBO System: Short-term monetary incentive system.

2021-2023 Performance Share Plan or 2021-2023 LTI Plan: Incentive plan based on medium/long-term financial instruments for the period 2021-2023.

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

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.

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

EDC: Executive Deputy Chairman.

ERG S.p.A.

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