



GUIDELINES OF THE BOARD OF DIRECTORS OF ERG S.P.A.

to Shareholders on the size and composition of the new Board of Directors

Guidance of the Board of Directors of ERG S.p.A. to Shareholders on the size and composition of the new Board of Directors

The Board of Directors of ERG S.p.A. (the "Board of Directors"), taking into account that its term of office expires on the date of the Shareholders' Meeting called to approve the financial statements for the year 2023, in compliance with the recommendation set forth in Article 4, section 23), of the Corporate Governance Code for Listed Companies (the "Code")*, even though ERG S.p.A. ("ERG" or the "Company"), as a "**concentrated ownership company**", is not required to comply with the aforesaid recommendation, having:

- after consulting the Nomination and Remuneration Committee;
- taking into account the results of the self-assessment ("board review") referring to the financial year 2023;

with a view to the renewal of the Board itself, however, decided to **provide the Shareholders with its guidelines on the subject:**

I

The **size** of the new Board of Directors

The Board of Directors of ERG considers:

- **appropriate** the current number of twelve Directors to ensure an adequate balance of the skills and experience required by the complexity of the Company's and the Group's business;
- The current ratio of executive and non-executive directors (of which six are independent as per the Code) is adequate to ensure the effective functioning of the Board of Directors.

II

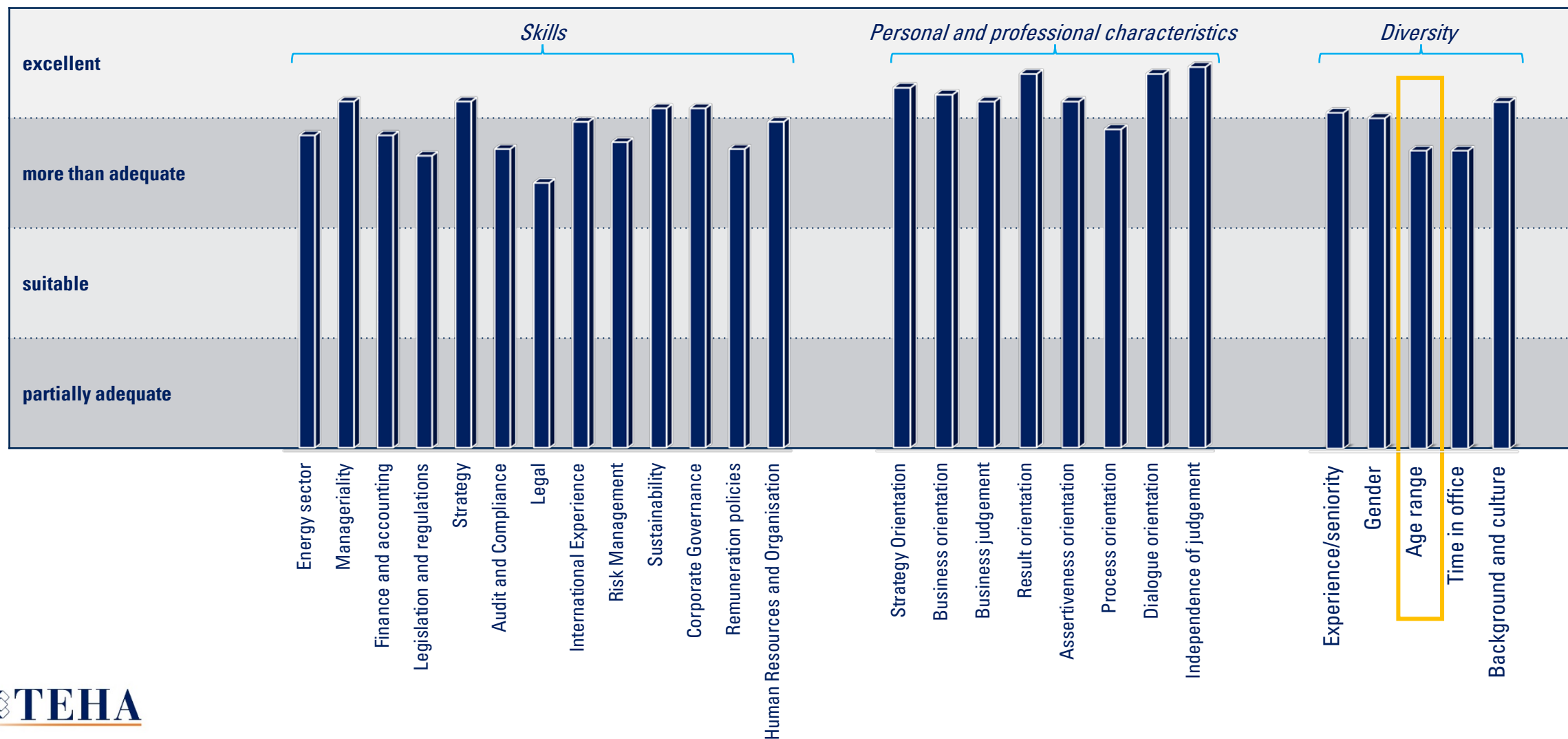
The **composition**, with reference to the managerial and professional figures whose presence on the new Board of Directors is deemed appropriate

The Board of Directors considers its composition to be (i) **more than adequate** in terms of skills and diversity and (ii) **excellent** with regard to the professional and personal characteristics of the Directors.

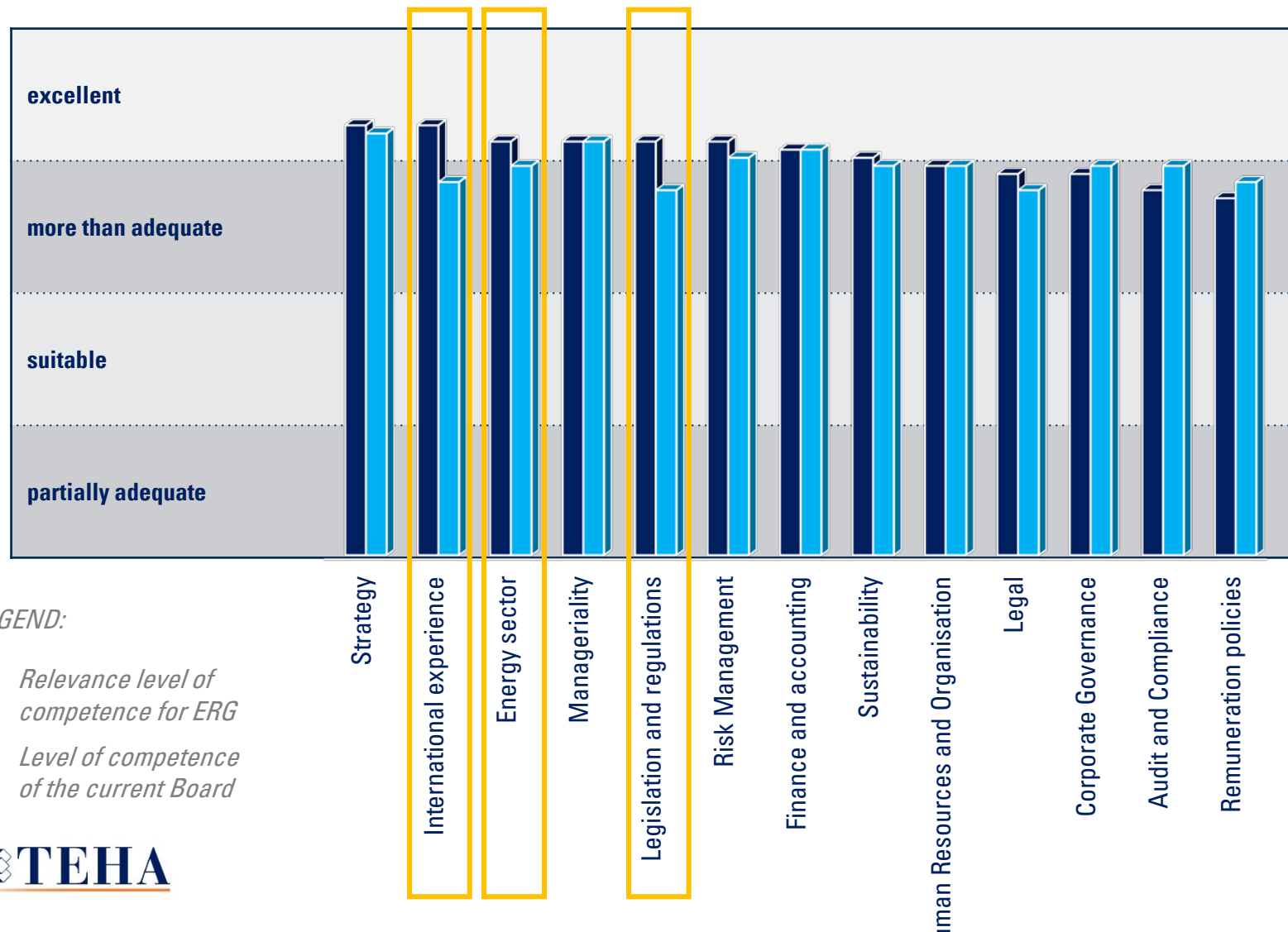
The following pages provide further food for thought with reference to specific aspects related to the composition of the Board of Directors.

The adequacy of the present skills, personal and professional characteristics and diversity of the Board of Directors

In view of the renewal, the Board of Directors would like to **increase the age diversity** of its members.



The adequacy of competences: relevance of competences for ERG and level of competence of the current Board of Directors



LEGEND:

- Relevance level of competence for ERG
- Level of competence of the current Board

- The Board of Directors, for the renewal of the Board itself, has identified a series of competences whose presence is deemed appropriate, defining their relative importance. In particular, we highlight the opportunity to **increase, with the next renewal, some specific competences** whose relevance has increased over time, in light of the Group's evolution.
- The Board of Directors hopes that the renewal of the Board itself will take into account the **Group's international evolution**, the growing importance of **ESG issues**, the constantly evolving global **regulatory and legislative framework** on these issues, and the increasing complexity that characterises the **energy sector**. Based on these considerations, the Board of Directors notes that personal and professional skills and characteristics should lead to the strengthening of the composition of the Board itself, especially in its non-executive component, through the inclusion of figures with **a wide and consolidated international experience in the energy sector and in the field of related laws and regulations.**

Personal and professional characteristics deemed appropriate for the role of President

The personal and professional characteristics deemed appropriate for the role of President, in line with those currently found, are as follows:

P

The **President** should:

- be a figure endowed with **authority** and **personal prestige** such as to ensure proper and transparent management of the functioning of the Board of Directors and to represent a **guarantee figure** for all Shareholders;
- possess such personal characteristics as to create a **strong team spirit** and a **high sense of cohesion** among the members of the Board of Directors;
- have an adequate background in **corporate governance**, having gained previous experience in - and preferably at the helm of - the boards of directors of listed companies of a complexity, size and international projection comparable to those of ERG, and having shown in the performance of such duties a marked sensitivity towards **governance** and **sustainability** issues;
- possess skills in the field of **economics and finance**, as well as experience and familiarity in handling issues of **strategic relevance** as well as specific **business issues within the board**;
- possess an **international culture**, accompanied by an adequate knowledge of foreign languages and, in particular, at least English.

Personal and professional characteristics deemed appropriate for the role of Managing Director

The personal and professional characteristics deemed appropriate for the role of Managing Director, in line with those currently found, are as follows:

MD

The **Managing Director** should:

- be a figure with **authority**, as well as recognised **strategic vision** and a deep knowledge of the **energy market** and its evolution;
- have significant **economic and financial**, as well as **technical**, skills;
- be endowed with recognised **leadership and a management** style oriented towards **management and the** ability to be a **team player** and create **team spirit** among employees;
- possess an **international culture**, accompanied by an adequate knowledge of foreign languages and, in particular, at least English.

The personal and professional characteristics deemed appropriate for the Executive and Non-Executive Directors

The personal and professional characteristics deemed appropriate for Executive and Non-Executive Directors are as follows:

D

The **Executive** and **Non-Executive Directors** - the latter hopefully meeting the independence requirements established by law and the Code - should:

- be represented by figures with a predominantly **managerial** and/or **professional** profile, in order to achieve a mix of different and complementary skills and experience, also taking into account the benefits that may derive from the presence of **different genders, age brackets** and **seniority in** the Board;
- possess **adequate seniority**, understood as proven experience in complex organisational contexts in a corporate and/or professional environment;
- possess skills that allow them to participate effectively in the work of both the Board of Directors and the Committees established within it. To this end, skills in the fields of **economics** and **finance, remuneration policies** (in line with the provisions of the Code), **risk management, law, corporate governance, digital innovation** and **sustainability are** considered relevant;
- have significant **experience in the international field and have an** appropriate **international culture**, accompanied by an adequate knowledge of foreign languages and, in particular, at least English.

The personal and professional characteristics deemed appropriate for the Executive and Non-Executive Directors

In addition to the personal and professional characteristics indicated above, it should be noted that:

MP managerial profiles should

- have gained experience in **positions of responsibility** within companies or industrial groups of a size and/or complexity comparable to that of ERG and with **international projection**;
- possess **business judgement** skills and a high orientation towards **strategies** and **results**.

PP professional profiles should

- have experience in **positions of responsibility** within relevant professional firms, consultancy companies or other public or private organisations.

AIP academic or institutional profiles should

- possess **skills closely related to the business** of the Company and the ERG Group or to issues related to it.

The personal and professional characteristics deemed appropriate for the Executive and Non-Executive Directors

TC

Time commitment and number of assignments*

- All candidate Directors, in accepting their application, should carefully assess the **availability of sufficient time to** devote to the performance of their duties, taking into account both the number and quality of the positions they hold on the boards of directors and boards of statutory auditors of other companies, and the commitment required of them by the additional work and professional activities performed, verifying that their situation is aligned with the required *time commitment* as resulting from the information made available through the report on corporate governance and ownership structure, as well as with the provisions of the Regulation for the operation of the board of directors, the control, risk and sustainability committee and the nominating and compensation committee. In particular:
 - a. the **Managing Director** should not hold any office as an executive director or member of the supervisory board and more than two offices as a non-executive director;
 - b. an **Executive Director**, other than the Managing Director, should not hold more than two positions as an Executive Director (with management powers) or as a member of the control body, it being understood that in any case the number of positions should not exceed a total of five;
 - c. a **Non-Executive Director** should not hold more than six offices in total.