



ERG Group

# Regulations for the operation of the Board of Directors, the Risk Control and Sustainability Committee and the Nomination and Remuneration Committee

Approved by the Board of Directors of ERG S.p.A. on 15 May 2024

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## FOREWORD, PURPOSE AND SCOPE

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The purpose of these Regulations (the “**Regulations**”) is to define the duties and operating procedures of the following bodies and committees of ERG S.p.A.: (i) the Board of Directors (the “**Board of Directors**”), (ii) the Risk Control and Sustainability Committee (the “**RSRC**”) and (iii) the Nominating and Remuneration Committee (the “**NRC**” and, jointly with the RSRC, the “**Committees**”).

The Board of Directors will periodically assess the need to make changes and/or additions to the Regulations, having consulted the relevant Committee, where the change and/or addition concerns the tasks and/or operating procedures of the Committee itself (the “**Relevant Committee**”), also taking into account any legislative, regulatory and self-regulatory changes as well as any changes in the organisational structure of ERG S.p.A. and/or the ERG Group (as defined below).

The Chief Executive Officer, having consulted, where appropriate, the Relevant Committee, is also authorised to make any amendments to the Regulations of a purely formal nature and that do not materially alter the content of the Regulations, subsequently informing the Board of Directors during its first appropriate meeting.



# DEFINITIONS

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

<b>Chief Executive Officer:</b>	the Chief Executive Officer of ERG
<b>Directors or Advisors or Board Members:</b>	the directors serving on the Board of Directors of ERG.
<b>Executive Directors:</b>	the Directors recognised as executive in accordance with the provisions of the Corporate Governance Code.
<b>Independent Directors:</b>	the Non-Executive Directors recognised as independent in accordance with the provisions of the CFA (TUF) and the Corporate Governance Code.
<b>Non-Executive Directors:</b>	Directors other than Executive Directors.
<b>Shareholders' Meeting or Meeting:</b>	Shareholders' Meeting of ERG S.p.A.
<b>Corporate Governance Code:</b>	the Italian Corporate Governance Code for Listed Companies promoted by Borsa Italiana S.p.A. to which the Company adheres.
<b>Board of Statutory Auditors:</b>	the Board of Statutory Auditors of ERG.
<b>Strategic Committee:</b>	the board committee appointed by the Board of Directors on 23 April 2024.
<b>Key Management Personnel:</b>	the persons who hold the functions/offices indicated in Appendix 1 to the current Related Parties Procedure who have the power and responsibility for planning, directing and controlling the activities of the Company and of the ERG Group and who are not members of the Board of Directors.
<b>ERG or the Company:</b>	ERG S.p.A.
<b>ERG Group or Group Companies:</b>	ERG and its Subsidiary Companies
<b>Guidelines:</b>	the current guidelines for carrying out operations of significant strategic, economic, equity-related or financial importance for the Company.
<b>Management:</b>	the persons responsible for key organisational units within the ERG Group, other than Key Management Personnel.



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<b>Significant Transactions:</b>	transactions of the Company and its Subsidiaries that have a significant strategic, economic, equity-related or financial importance for the Company itself and that must be subject to prior approval by the Board of Directors pursuant to the provisions of the current Guidelines.
<b>Engagement Policy:</b>	the current policy for managing dialogue with shareholders adopted by the Board of Directors.
<b>Remuneration Policy:</b>	the Policy on remuneration for Directors and Key Management Personnel.
<b>Market Information Procedure:</b>	the current procedure for the handling and processing of relevant and privileged information and for the public dissemination of statements and information, adopted by the Board of Directors
<b>Related Parties Procedure:</b>	the current procedure for carrying out transactions with related parties carried out directly by ERG and/or by ERG through Subsidiaries, according to the provisions laid down in the Regulations adopted by the National Commission for Companies and the Stock Exchange – Consob, under resolution no. 17221 dated 12 March 2010, as subsequently amended and supplemented.
<b>Issuers' Regulations:</b>	the regulations adopted by the National Commission for Companies and the Stock Exchange - Consob, with resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented.
<b>Parent Company:</b>	company that controls ERG pursuant to Article 93 of the CFA
<b>Auditors:</b>	the members of the Board of Auditors.
<b>ICRM System:</b>	ERG Internal Control and Risk Management System.
<b>Subsidiaries:</b>	companies controlled by ERG pursuant to Article 93 of the CFA.
<b>Auditing Company:</b>	the Company appointed by the ERG Shareholders' Meeting to audit the accounts.
<b>Relevant Companies:</b>	companies other than Group Companies (i) Italian or foreign, with shares listed on regulated markets; (ii) Italian or foreign, with shares not listed on regulated markets and operating in the insurance, banking or financial sectors; (iii) Italian or foreign, with shares not listed on regulated markets and which, although operating in sectors other than those indicated under (ii), qualify as "large companies" pursuant to the provisions of Article 144-duodecies( 1)(f) of the Issuers' Regulations.
<b>Close Family Member:</b>	Close family members of a person are those family members who are expected to influence, or be influenced by, that person in their dealings with the company, including: (a) that person's children and spouse or cohabitant; (b) children of that person's spouse or cohabitant; (c) dependants of that person or spouse or cohabitant.
<b>TUF (Consolidated Finance Act or CFA):</b>	Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented.

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# SECTION 1: REGULATIONS OF THE BOARD OF DIRECTORS

## 1.1 Nomination and composition

The Company is managed by a Board of Directors, which, in compliance with the gender balance criterion prescribed by current law and regulatory provisions, consists of no fewer than 5 and no more than 15 members, elected by the Shareholders' Meeting on the basis of lists submitted by the shareholders.

The Directors' term of office is three years and expires on the date of the Shareholders' Meeting called to approve the financial statements for the last year of their office. Directors may be re-elected.

Should one or more Director be absent on holiday, proceedings shall be followed as provided by law. Should the Chief Executive Officer be absent on holiday or unavailable, the provisions of paragraph 1.4.3 below shall apply.

If, however, during the mandate, the majority of Directors appointed by the Shareholders' Meeting should for any reason cease to fill their offices, the entire Board of Directors will be considered to have resigned, and the Shareholders' Meeting shall be called urgently by the Directors remaining in office in order to elect a new Board. The Board of Directors shall, however, remain in office solely for the purposes of carrying out ordinary administration activities until the Shareholders' Meeting has decided on the new Directors and the majority of the new Directors have accepted their appointment.

The Board of Directors:

- appoints from among its members a **Chairman**, if one has not been appointed by the Shareholders' Meeting, and may appoint one or more **Deputy Chairman** and one or more **Chief Executive Officers**, determining their powers and duties;
- appoints, with the mandatory opinion of the Board of Statutory Auditors, the Manager responsible for preparing the Company's financial reports, setting his/her compensation and assigning him/her adequate powers and means. The Manager is someone who has at least three years of experience in positions of adequate responsibility in the administrative, financial or accounting area of public and private companies or entities, or someone who has adequate knowledge and experience in legal, economic, administrative, accounting or financial matters.
- may also appoint one or more **General Managers** from outside its membership, determining their powers and duties;
- may set up **Board Committees** in order to achieve greater management efficiency and better reporting to third parties and the market in general;
- may also appoint a **secretary** from outside its members (the "**Secretary**").

## 1.2. Participation in works

The Board of Directors meets at least quarterly, according to a calendar set sufficiently in advance, to report to the Board of Statutory Auditors, possibly also through the Chief Executive Officer, on the activities carried out and on the most important economic, financial and asset operations carried out by the Company or by the Group Companies. Directors also report on transactions in which they have an interest on their own behalf or on behalf of third parties.

All members of the Board of Statutory Auditors participate in the works of the Board of Directors, as well as, at the invitation of the Chairman, in agreement with the Chief Executive Officer, the Key Management Personnel and the competent Managers, in order to provide the appropriate clarifications on the items on the agenda and, in general, the persons whose presence is deemed necessary or appropriate for the purposes of the discussion of the items on the agenda.

The Chairman, with the support of the Secretary, having consulted the Chief Executive Officer, ensures that the Board Members are provided at least 48 hours before the Board meeting, other than in exceptional cases, with the documentation and information necessary to enable the Board of Directors to resolve in an informed manner on the matters submitted to it. This documentation is made available through the use of specific computer systems suitable for protecting confidentiality. Directors and Statutory Auditors are required to maintain the confidentiality of the documents and information acquired in the performance of their duties and to comply with the rules adopted by the Company for the management and processing of relevant and inside information and for the dissemination of statements and information to the public as set out in detail in the Market Information Procedure.

In the event that it is not possible to send the relevant documentation in advance for some of the topics dealt with, the Chairman, with the support of the Secretary, after consulting the Chief Executive Officer, shall ensure that specific and prompt in-depth analyses are in any case guaranteed and/or carried out, also with the support of the Key Executives or Managers invited to participate for this purpose.

The Chairman acts as a link between the Executive Directors and the Non-Executive Directors and ensures the effective functioning of the Board work.



Meetings of the Board of Directors may also be held by teleconference or videoconference, provided that all participants can be identified and are able to follow the discussion and intervene in real time in the discussion of the items on the agenda. If these requirements are met, the Board of Directors meeting is deemed to be held in the place where the secretary of the meeting must also be located.

The Board of Directors is chaired by the Chairman, or in his/her place by one of the two Vice Chairmen (if appointed), or in the place of one of them by the Chief Executive Officer (if appointed) in the same order as indicated in the convocation. If all the above persons are absent, the Board of Directors is chaired by the oldest member present at the meeting.

For meetings to be valid, a majority of the members in office must be present. The Board of Directors resolves by an absolute majority of those present; in the event of a tie, the vote of the person chairing the meeting shall prevail.

The minutes of the meetings are signed by the Chairman and the Secretary.

The minutes of the meetings provide in general terms:

- a summary explanation of the subject matter and, where provided, supporting documentation;
- a summary reference to the debate held and the statements made;
- the reference to the proposal submitted at the end of the discussion;
- the formulation, analytically and by points, of the resolution passed;
- the transcript at the foot of the minutes of the consolidated financial statements, the draft annual financial statements, the condensed half-yearly financial statements, the interim management reports and the merger/division plans;
- the reference, in other cases, to the document kept in the Company's records digitally signed by the Chairman and the Secretary.

Following the meeting, the draft minutes are sent to all Directors and Statutory Auditors for further comments and observations. The final text of the minutes is normally submitted to the Board of Directors for formal approval at its first meeting.

### 1.3 The Secretary of the Board of Directors

The Board of Directors, upon proposal of the Chairman, appoints a Secretary, who need not be a member of the Board, and who must have adequate legal expertise in corporate law and corporate governance, with particular reference to listed issuers.

The Secretary is called upon to support the activities of the Chairman and provide impartial assistance and advice to the Board of Directors on all important aspects for the correct functioning of ERG Group's corporate governance system.

In particular, the Secretary supports the Chairman in the following activities envisaged by the Articles of Association and the Corporate Governance Code:

- organising and taking minutes of the meetings of the Board of Directors, the Shareholders' Meeting and the Committees, where the drafting of the minutes is not entrusted to a notary public;
- ensuring that the pre-Board and Board information provided, in agreement with the Chief Executive Officer, including through the intervention of Key Executives and Management personnel competent in the field, is suitable to enable Directors to act in an informed manner when carrying out their role;
- ensuring that the activities of the Committees are coordinated with the activities of the Board of Directors;
- ensure that all members of the Board of Directors and the Board of Statutory Auditors can participate, after their appointment and during their term of office, in initiatives aimed at providing them with an adequate knowledge of the business sectors in which the Company operates, of corporate dynamics and their evolution, also with a view to the sustainable success of the Company itself, as well as of the principles of proper risk management and of the reference regulatory and self-regulatory framework;
- ensure the adequacy and transparency of the Board of Directors' self-assessment process, with the support of the NRC.

The Chairman ensures that the Secretary has adequate powers, tools, organisational structure and personnel to perform his/her duties.

### 1.4 Tasks

The Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the Company, and has the power to perform all the acts it deems appropriate for the implementation and achievement of the corporate purposes, with the sole exception of those which the law strictly reserves for the Shareholders' Meeting.

In particular, also taking into account the provisions of the Corporate Governance Code, the Board of Directors:

- examines and approves the multi-year business plan of the Company and of the ERG Group (the "Industrial Plan") also based on the analysis of the issues relevant to the generation of long-term value that it is called upon to carry out with the support of the Strategic Committee;
- periodically monitors the implementation of the Industrial Plan and assesses the general performance of operations, periodically comparing the results achieved with those planned;
- defines the nature and level of risk compatible with the Company's strategic objectives, including in its assessments all elements that may be relevant to the Company's sustainable success;

- defines the Company's corporate governance system and the structure of the ERG Group and assesses the adequacy of the organisational, administrative and accounting structure of the Company and its strategically important Subsidiaries, with particular reference to the ICRM System;
- resolves on Significant Transactions;
- ensures the correct management of corporate information through the Market Information Procedure;
- ensures proper management of dialogue with stakeholders through the Engagement Policy;
- approves periodic financial and non-financial reports;
- assesses the independence of each Non-Executive Director and of the members of the Board of Statutory Auditors immediately after their appointment and during their term of office if circumstances relevant to independence arise, and in any case at least once a year;
- after hearing the opinion of the NRC, it expresses its orientation on the maximum number of offices in administration or control bodies in other Relevant Companies that can be considered compatible with an effective performance of the office of Director, taking into account the duties deriving from the role covered;
- performs, on an annual basis, a self-assessment regarding the size, composition and actual functioning of the Board of Directors itself and of the Committees, on the basis of a document prepared for this purpose by the NRC overseeing the process;
- expresses, in view of each renewal, an orientation on its quantitative and qualitative composition considered optimal, taking into account the results of the self-assessment;
- defines, with the support of the NRC, a plan for the succession of the Chief Executive Officer and, where applicable, of the Executive Directors, through which the procedures to be followed in the event of early termination of office are identified;
- ascertains the existence of adequate procedures for the succession of Key Executives and Management.

#### 1.4.1 Assessment of independence criteria for Directors

For the purposes of the provisions of Article 2, recommendation 7, second paragraph, of the Corporate Governance Code, the following shall be considered as significant (i.e. as a circumstance potentially capable of compromising the independence of a Director, to be assessed in concrete terms by the Board of Directors):

- a) a **commercial or financial relationship**, in existence or entertained in the previous three financial years, with the Company, the Subsidiaries, the Parent Company or with the relevant Executive Directors or Key Management Personnel whose total annual remuneration in favour of the Director (or of the company or entity over which the Director has control or is an executive director) exceeds (i) 5% of the total annual turnover of the Director (if an individual entrepreneur) or (ii) 5% of the total annual turnover of the company or entity over which the Director has control or is an executive director;
- b) a **professional relationship**, in existence or entertained in the previous three financial years, with the Company, the Subsidiaries, the Parent Company or with the relevant Executive Directors or Key Management Personnel whose total annual remuneration in favour of the Director (or the professional firm or the consulting company of which the Director is a partner) exceeds (i) 5% of the total annual turnover of the Director (if an individual consultant) or (ii) 5% of the total annual turnover of the professional firm or the consulting company of which the Director is a partner;
- c) **additional remuneration**, existing or received by the Director in the previous three financial years, from the Company, Subsidiaries or the Parent Company which is, in total and on an annual basis, higher than 45% with respect to (i) the fixed remuneration for the office of Director approved by the Shareholders' Meeting and (ii) the remuneration envisaged for participation in the Committees, the Strategic Committee (this remuneration being deemed not relevant in consideration of the fact that the Director is called upon to carry out the functions envisaged by art. 1(a) of the Corporate Governance Code) and to committees/bodies envisaged by current legislation, excluding the remuneration deriving from participation in any executive committees.

It should be noted that the fact of being a Close Family Member of a person in one of the above situations also constitutes a circumstance likely to compromise the independence of a Director.

For the purposes of recommendation 9 of the Corporate Governance Code, the above criteria will also be used to assess the independence of the members of the Board of Statutory Auditors. For this purpose, the additional remuneration provided for participation in the control bodies of Subsidiaries will not be considered as significant.

The Board of Directors, with the opinion of the NRC, shall in any case be called upon to assess each individual case, giving precedence to substance over form, with the right therefore to (i) grant any exceptions (even temporary) to the above parameters or (ii) consider a relationship as significant regardless of the above parameters.

The Board of Directors shall provide information on such assessments in the annual report on corporate governance and ownership structure.

#### 1.4.2 Guidance on the accumulation of offices

The Board of Directors, also in relation to the provisions of the Corporate Governance Code, in the light of what has emerged from the self-assessment regarding the size, composition and effective functioning of the Board of Directors itself and of the Board Committees, having consulted the NRC, expresses its orientation regarding the maximum number of offices in the management or control bodies of Relevant Companies:

- the Chief Executive Officer should not hold any office of executive director or member of the control body and more than two offices of non-executive director;
- an Executive Director, other than the Chief Executive Officer, should not hold more than two offices of executive director (with management powers) or member of the control body, it being understood that in any case the number of offices cannot exceed five in total.
- a Non-Executive Director should not hold more than six offices in total.

Offices held in ERG Group companies are excluded from the above limitations.



The Board of Directors will in any case be called upon to evaluate each individual case, giving precedence to substance over form, with the right therefore, having consulted the NRC, to grant any exceptions (even temporary) to the above parameters. The Board of Directors shall provide information on such assessments in the annual report on corporate governance and ownership structure.

#### **1.4.3 Succession plan for the Chief Executive Officer**

In the event of the early termination of the Chief Executive Officer's office, or permanent impediment to the performance of his/her functions:

- the Chairman of the Board of Directors urgently convenes (with two clear days' notice) the Board of Directors;
- the Board of Directors, having taken note of the early termination of the Chief Executive Officer or of the permanent impediment to the performance of his/her duties,
  - temporarily assigns the powers for the ordinary management of the Company to the Executive Deputy Chairman or to another Director;
  - instructs the NRC to promptly initiate the process for the identification (also through consulting companies specialised in the sector) of possible candidates for the position of Director and Chief Executive Officer;
- the Board of Directors, upon the NRC's proposal, shall co-opt a Director and identify the new Chief Executive Officer, granting him/her the relevant powers.

In the event of the Chief Executive Officer's temporary inability to perform his/her duties,

- the Chairman of the Board of Directors urgently convenes (with two clear days' notice) the Board of Directors;
- the Board of Directors, having taken note of the temporary inability of the Chief Executive Officer to perform his/her duties, assigns, for as long as the temporary inability to perform his/her duties continues, the powers for the ordinary management of the Company to the Executive Deputy Chairman or to another Director.



## SECTION 2: REGULATIONS OF THE RISK CONTROL AND SUSTAINABILITY COMMITTEE

### 2.1 Nomination and composition

The RCSC was appointed by the Board of Directors with a resolution dated 23 April 2024.

It is composed, in accordance with the Corporate Governance Code, of at least three non-executive Directors, the majority of whom are Independent, and is chaired by an Independent Director. The members of the Committee have adequate expertise and experience in accounting, finance and risk management, as well as in governance and sustainability.

The RCSC appoints, from its members, a Chairman and, also outside of its members, a secretary.

Together with the secretary, the Chairman coordinates the activities of the RCSC and chairs its meetings.

### 2.2 Participation in works

RCSC meetings are attended by the Chairman of the Board of Statutory Auditors or another auditor designated by him/her or, depending on the topics to be discussed, by all members of the Board of Statutory Auditors; meetings may also be attended by the Chairman of the Board of Directors, the Executive Deputy Chairman, the Director in charge of the ICRM system, and the Chief Executive Officer, who are entitled to participate in the discussion of the agenda items and to identify adequate actions to confront critical or potentially critical situations, as well as (also depending on the topics to be discussed), the Chief Financial Officer and Manager responsible for preparing the Company's financial reports, the Chief Audit Officer, the Head of Group Administration, the Head of Group Risk Management & Corporate Finance, the Head of Corporate Affairs, the Chief ESG, IR & Communication Officer, and the Chief Human Capital Officer.

Employees of ERG Group Companies, representatives of the Independent Auditor and, in general, persons whose presence is deemed necessary or appropriate for the discussion of the agenda items may be invited to attend RCSC meetings.

The Chief Audit Officer, in particular, is invited to attend the meetings in order to report, at least once a quarter, on the activity carried out from time to time.

The Manager responsible for preparing the Company's financial reports is invited to attend the meetings in order to inform, at least quarterly (when the interim financial reports are published), about the accounting standards applied in the preparation of periodic financial statements and, at least semi-annually, about the activity carried out from time to time in accordance with Article 154-bis of the CFA.

The Head of Group Administration is invited to attend meetings in order to report, semi-annually, on the activity carried out from time to time with reference to compliance with Italian Law no. 262/05 and the Tax Control Framework.

The Head of Group Risk Management & Corporate Finance is invited to attend the meetings in order to report, on a semi-annual basis, on the activity carried out from time to time with reference to Risk Management.

The Head of Corporate Affairs, Compliance 231 & Privacy is invited to attend the meetings in order to report, on a semi-annual basis, on the activity carried out from time to time with reference to compliance with Italian Legislative Decree no. 231/01 and Anti-Corruption laws and on the proposed amendments to the main corporate governance documents for the purposes of their subsequent approval by the Board of Directors.

The Chief ESG, IR & Communication Officer is invited to attend meetings in order to report on the consolidated non-financial statement and the ESG Plan for the purposes of their subsequent approval by the Board of Directors and on the activities carried out from time to time in relation to the objectives of the ESG Plan.

The Chief Human Capital Officer is invited to attend meetings in order to report on the Remuneration Policy Report and the remuneration paid pursuant to Article 123-ter of Legislative Decree no. 58 of 24 February 1998.

Meetings of the RCSC may also be held by teleconference or videoconference, provided that all participants can be identified and are able to follow the discussion and intervene in real time in the discussion of the items on the agenda. If these requirements are met, the ESRAB is deemed to be held in the place where secretary must be located.



For meetings to be valid, a majority of the members in office must be present. The RCSC resolves by an absolute majority of those present; in the event of a tie, the vote of the person chairing the meeting shall prevail.

The minutes of the meetings are signed by the Chairman and the secretary.

The RCSC meets at least quarterly, according to a schedule set with sufficient advance notice.

RCSC members are provided at least 48 hours before the meeting, other than in exceptional cases, with the documentation and information required to enable the RCSC to express an informed opinion on the matters under consideration. This documentation is made available through the use of specific computer systems suitable for protecting confidentiality. Members of the RCSC and Statutory Auditors are required to maintain the confidentiality of the documents and information acquired in the performance of their duties and to comply with the rules adopted by the Company for the management and processing of relevant and inside information and for the dissemination of statements and information to the public as set out in detail in the Market Information Procedure.

In the event that it is not possible to send the relevant documentation in advance for some of the topics dealt with, the Chairman, with the support of the secretary, shall ensure that specific and punctual in-depth analyses are in any case guaranteed and/or carried out, also with the support of the Key Executives or Managers competent for the matter, invited to participate for this purpose.

The RCSC has access to the information necessary to perform its duties and may make use of external consultants.

## 2.3 Tasks

The RCSC advises and issues recommendations to the Board of Directors and performs the role and tasks provided for by the Corporate Governance Code. The Chairman of the RCSC reports to the Board of Directors on the Committee's meetings held in the interim at the first Board meeting.

In general, it supports, through adequate investigations, the assessments and decisions of the Board of Directors pertaining to the Internal Control and Risk Management System (also, "ICRM System"), as well as those pertaining to the approval of periodic financial reports.

More specifically it:

- assists the Board of Directors in the following tasks prescribed by the Corporate Governance Code: definition of the guidelines of the ICRM System; periodic verification of the adequacy of the actual operation and efficiency of the ICRM System; verification that the main corporate risks are correctly identified, adequately measured, managed and monitored;
- expresses opinions on specific aspects pertaining to the identification of the main corporate risks as well as to the design, implementation and management of the ICRM System;
- supports, with adequate investigations, the evaluations and decisions of the Board of Directors relating to the management of risks arising out of prejudicial acts of which the Board of Directors is aware;
- expresses its own opinion on the appointment and termination of the Chief Audit Officer and on the proposal for his/her remuneration formulated by the Director in charge of the ICRM System;
- monitors the independence, adequacy, effectiveness and efficiency of the Internal Audit function;
- assesses the annual work plan and the related budget prepared by the Chief Audit Officer and his/her periodic audit reports, requesting, where applicable, audits on specific operating areas;
- reviews the results of the activities of the Manager responsible for preparing the Company's financial reports;
- assesses, after consulting the Manager in charge of preparing the company's financial reports, the Independent Auditors and the Board of Statutory Auditors, the correct use of accounting standards and their uniformity for the purposes of preparing the consolidated financial statements, the draft annual financial statements and the condensed interim financial statements;
- assesses the suitability of periodic financial and non-financial information to correctly represent the Company's business model, strategies, the impact of its activities and the performance achieved;
- reviews the content of periodic non-financial information relevant to the ICRM System;
- maintains appropriate relations with the Independent Auditors, the Board of Statutory Auditors, the Director in Charge of the ICRM System, the Chief Audit Officer, and other departments within the ERG Group's organisational structure that communicate with these parties, in such a way as to encourage them to carry out their respective activities in common areas of intervention in an effective and coordinated manner;
- informs the Board of Directors, at least once every six months, upon approval of the annual and interim financial reports, about the work carried out and the adequacy of the ICRM System;
- reviews the annual work plan prepared by the Supervisory Body, established pursuant to the provisions of Italian Legislative Decree no. 231/01 and the interim reports;
- reviews the Risk Report on the Industrial Plan.
- reviews the annual work plan prepared by Compliance 231 and its half-yearly reports;
- reviews the Consolidated Non-Financial Statement and the ESG Plan, as well as the activity carried out from time to time with respect to the objectives of the ESG Plan;
- reviews the Report on Remuneration Policy and Remuneration Paid pursuant to Article 123-ter of Legislative Decree 58 of 24 February 1998;



- assesses the ongoing adequacy over time of the Market Information Procedure and the main corporate governance documents;
- provides the Board of Directors, the Chairman, the Executive Deputy Chairman and the Chief Executive Officer with all other advice and proposals deemed by the Committee to be necessary or appropriate for them to better carry out their respective duties in the areas of control, risk management and corporate disclosure;
- provides the Board of Directors and the delegated bodies with the opinions provided for by the Related Parties Procedure, where appropriate supplementing its composition in accordance with the provisions of the Procedure itself;
- carries out any other duties assigned to it by the Board of Directors.



## SECTION 3: REGULATIONS OF THE NOMINATION AND REMUNERATION COMMITTEE

### 3.1 Nomination and composition

The NRC was appointed by the Board of Directors with a resolution dated 23 April 2024.

It is composed, in accordance with the indications of the Corporate Governance Code for the Remuneration Committee, of at least three non-executive Directors, the majority of whom are Independent, and is chaired by an Independent Director. The members of the Committee have adequate expertise and experience in remuneration policies.

The NRC appoints, from its members, a Chairman and, also outside of its members, a secretary.

Together with the secretary, the Chairman coordinates the activities of the NRC and chairs its meetings.

### 3.2 Participation in works

NRC meetings are attended by the Chairman of the Board of Statutory Auditors or another auditor designated by him/her or, depending on the topics to be discussed, by all members of the Board of Statutory Auditors; meetings may also be attended, upon invitation, by the Chairman of the Board of Directors, the Executive Deputy Chairman and the Chief Executive Officer, who are entitled to participate in the discussion of the agenda items and to identify adequate actions to confront critical or potentially critical situations, as well as (again depending on the topics dealt with) the Chief Human Capital Officer.

Employees of ERG Group Companies, representatives of the Independent Auditor and, in general, persons whose presence is deemed necessary or appropriate for the discussion of the agenda items may be invited to attend NRC meetings.

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.

Meetings of the NRC may also be held by teleconference or videoconference, provided that all participants can be identified and are able to follow the discussion and intervene in real time in the discussion of the items on the agenda. If these requirements are met, the NRC is deemed to be held in the place where secretary must be located.

For meetings to be valid, a majority of the members in office must be present. The NRC resolves by an absolute majority of those present; in the event of a tie, the vote of the person chairing the meeting shall prevail.

The minutes of the meetings are signed by the Chairman and the secretary.

The NRC meets at least quarterly, according to a schedule set with sufficient advance notice.

NRC members are provided at least 48 hours before the meeting, other than in exceptional cases, with the documentation and information required to enable the NRC to express an informed opinion on the matters under consideration. This documentation is made available through the use of specific computer systems suitable for protecting confidentiality. Members of the NRC and Statutory Auditors are required to maintain the confidentiality of the documents and information acquired in the performance of their duties and to comply with the rules adopted by the Company for the management and processing of relevant and inside information and for the dissemination of statements and information to the public as set out in detail in the Market Information Procedure.

In the event that it is not possible to send the relevant documentation in advance for some of the topics dealt with, the Chairman, with the support of the secretary, shall ensure that specific and punctual in-depth analyses are in any case guaranteed and/or carried out, also with the support of the Key Executives or Managers competent for the matter, invited to participate for this purpose.

The NRC has access to the information necessary to perform its duties and may make use of external consultants.

### 3.3 Tasks

The NRC advises and issues recommendations to the Board of Directors, the Chief Executive Officer, and the Executive Deputy Chairman and fulfils the role and responsibilities indicated in the Corporate Governance Code for the Nominations Committee and the Remuneration Committee. The Chairman of the NRC reports to the Board of Directors on the Committee's meetings held in the interim at the first Board meeting.



More specifically it:

- makes proposals to the Board of Directors regarding the definition and updating of the Remuneration Policy;
- makes 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, 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;
- expresses opinions to the Chief Executive Officer regarding the remuneration of Key Executives;
- makes proposals and expresses opinions to the Board of Directors on the remuneration of Executive Directors, on the setting of targets related to the variable component of the short and medium/long-term incentive scheme, verifying their effective achievement;
- makes proposals and expresses opinions to the Chief Executive Officer and the Executive Deputy Chairman for the remuneration of Key Executives on the setting of corporate and sustainability targets related to the variable component of the short and medium/long-term incentive scheme, so that the Board of Directors can decide on the matter, verifying their actual achievement;
- regularly assesses the suitability, overall consistency and practical application of the Remuneration Policy, reporting to the Board of Directors;
- provides the Board of Directors and the delegated bodies with the opinions provided for by the Related Parties Procedure, where appropriate supplementing its composition in accordance with the provisions of the Related Parties Procedure itself;
- proposes to the Board of Directors, where requested by the same, the candidates for the office of Director in the case provided for by Article 2386, first paragraph, of the Italian Civil Code;
- assesses, at the specific request of the shareholders who intend to present lists, the independence of candidates for the office of Director to be submitted to the Shareholders' Meeting;
- provides the Board of Directors, on an annual basis, with an evaluation of the size, composition and functioning of the Board itself, and it may express recommendations on the professional profiles that should be included in the Board;
- expresses, on an annual basis, taking into account the percentage of participation of Directors in the Boards of Directors, the Committees and the Strategic Committee, its opinion on the adequacy of the maximum number of offices indicated in paragraph 1.4.2 and provides opinions to the Board of Directors on any exceptions to the same
- periodically assesses the adequacy of the CEO's Succession Plan as defined in paragraph 1.4.3 and provides opinions to the Board of Directors on the possible need to revise the said Plan;
- supports the Board of Directors in verifying the existence of adequate procedures for the succession of Key Executives and Management;
- carries out any other duties assigned to it by the Board of Directors.

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

Torre WTC  
via De Marini, 1  
16149 Genoa  
Tel 01024011  
Fax 0102401859  
[www.erg.eu](http://www.erg.eu)

Registered Office:  
via De Marini, 1  
16149 Genoa

Share Capital Euro 15,032,000 fully paid  
R.E.A. Genoa n. 354265  
Company Register Genoa  
and Fiscal Code 94040720107  
VAT 10122410151

Company subject to limited management  
and coordination by SQ Renewables S.p.A.

[www.erg.eu](http://www.erg.eu)

