



ERG S.p.A.
Ordinary Shareholders' Meeting of 24/27 April 2015

Information Document on the 2015-2017 Long-Term Monetary Incentive Plan

*prepared in accordance with Article 114-bis
of Legislative Decree no. 58 of 24 February 1998 ("CFA")
and Article 84-bis of the regulation adopted by CONSOB with resolution
no. 11971 of 14 May 1999, as amended and supplemented ("Issuers' Regulations")*

2015 – 2017 Long-term Monetary Incentive Plan

Introduction

This information document (the “**Information Document**”) has been drawn up by ERG to provide disclosure to its shareholders and the market on the essential aspects of the Long-Term Monetary Incentive Plan (the “**Plan**”) approved by the Board of Directors on 11 March 2015 upon recommendation by the Nominations and Remuneration Committee, on 4 March 2015, having consulted the Board of Statutory Auditors. Such aspects are submitted, pursuant to Article 114-*bis* of the CFA, to the approval of the Shareholders’ Meeting called on 24 April 2015, in first call and, if necessary, on 27 April 2015, in second call (the “**Shareholders’ Meeting 2015**”).

The Plan does not involve the assignment of financial instruments. Rather, it exclusively involves the assignment of monetary incentives determined also based on a performance target linked to the performance of the ERG Share in the three-year period of reference 2015-2017 (Total Shareholder Return). For this reason, the regulations set out in Article 114-*bis* of the CFA for plans including the assignment of financial instruments have an influence over this Plan, to the extent applicable. Therefore, the Information Document does not contain the specific information required for compensation plans based on the assignment of shares or options or other financial instruments.

The Information Document is made available to the public at the registered office of the Company in Genoa, Via De Marini 1, on the Company’s website (www.erg.it) in the section “Corporate Governance/Shareholders’ Meeting 2015”, at Borsa Italiana S.p.A. and on the authorised storage platform Nis-Storage (www.emarketstorage.com).

Definitions

In addition to the definitions set out in other articles, capitalised terms and expressions used in the Information Document have the meaning given them herein. Said meaning shall be valid both for the singular and plural:

Chief Executive Officer: The Chief Executive Officer of ERG S.P.A.

Beneficiaries: the beneficiaries of the Plan.

Chief Human Capital Officer: the head of the Human Capital Division of ERG S.p.A.

Corporate Governance Code: the Italian Corporate Governance Code for listed companies in force, promoted by Borsa Italiana S.p.A. (version published in July 2014) which the Board of Directors resolved to comply with on 12 November 2014.

Board of Statutory Auditors: The Board of Statutory Auditors of ERG.

Nominations and Remuneration Committee: The ERG Nominations and Remuneration Committee, comprising three independent directors.

Board of Directors: the Board of Directors of ERG.

Approval Date: The date of final approval of the Regulations by the Board of Directors.

Key Managers: Executives of the ERG Group that have significant strategic importance in terms of the achievement of the Business Plan, including several Executives with Strategic Responsibilities, who shall be expressly identified by the Board of Directors, upon recommendation by the Nominations and Remuneration Committee.

Executives with Strategic Responsibilities: parties that hold the functions/ offices indicated in Annex 1 to the Procedure for transactions with related parties of the ERG Group in force (except for the members of the Board of Directors and the Board of Statutory Auditors of ERG S.p.A.), available on the Company's website (www.erg.it) in the section "corporate governance/governance documents"

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

Economic Value Added or EVA: indicator that represents the "residual" monetary value after all production factors have been remunerated, including the cost of capital employed.

Vesting Period: the three-year period from the moment the incentive is assigned to the time it may be disbursed.

Plan: the 2015-2017 Long-Term Monetary Incentive Plan.

Remuneration Policy: ERG's Policy for the remuneration of members of the Board of Directors and Executives with Strategic Responsibilities, effective from the year 2015.

Regulations: the document that shall be approved by the Board of Directors containing detailed regulations on the conditions of operation of the Plan.

Subsidiaries: companies directly or indirectly controlled by ERG pursuant to Article 93 of the CFA.

Total Shareholder Return or TSR: An indicator that measures the overall return on investment for shareholders, which is calculated by summing the increase in price of the share in a specific time interval with the effect of dividends per share paid in the same period (Absolute TSR).

ERG share: Ordinary share issued by ERG, listed on the electronic stock market organised and managed by Borsa Italiana S.p.A.

Executive Deputy Chairman: the Executive Deputy Chairman of ERG S.P.A.

(1) Beneficiaries

The Plan shall apply to directors and/or employees of ERG and its Subsidiaries who hold a significant strategic role in achieving the Business Plan, including several Executives with Strategic Responsibilities. The Plan may therefore be considered as "of particular relevance" pursuant to article 84-*bis*, paragraph 2 of the Issuers' Regulations.

Beneficiaries shall be identified at the unquestionable judgment of the Board of Directors, upon recommendation by the Nominations and Remuneration Committee. Beneficiaries may be identified following the Approval Date, provided they are identified before the end of the Vesting Period.

1.1 Indication of the names of beneficiaries that are members of the Board of Directors of the issuer, of the parent companies and of direct or indirect subsidiaries

The Plan shall apply:

- to the Chief Executive Officer appointed by the Board of Directors meeting held following the Shareholders' Meeting 2015

For the method of identifying the Beneficiaries, refer to paragraph 1 above.

When the Beneficiaries include other parties which must be named pursuant to Table 7-*bis* of Annex 3A to the Issuers' Regulations, the Company shall provide said information in the communications required by Article 84-*bis*, paragraph 5 of the Issuers' Regulations.

1.2 Categories of employees or contractors of the issuer and parent companies or subsidiaries of said issuer

The Plan does not identify specific categories of employees or contractors of the ERG Group that are beneficiaries thereof.

The Plan applies to the Key Managers expressly identified by the Board of Directors, upon recommendation by the Nominations and Remuneration Committee, among those that have a significant strategic importance in terms of the achievement of the Business Plan.

When the Key Managers include other parties which must be named pursuant to Table 7-*bis* of Annex 3A to the Issuers' Regulation, the Company shall provide said information in the communications required by Article 84-*bis*, paragraph 5 of the Issuers' Regulation.

1.3 Indication of names of parties benefitting from the plan that belong to the groups set out in point 1.3 a), b) and c) of Annex 3A, Table 7 of the Issuers' Regulation

The Plan does not indicate by name the Beneficiaries that belong to the groups set out in point 1.3 a), b) and c) of Annex 3A, Table 7 of the Issuers' Regulations.

For the method of identifying the Beneficiaries, refer to paragraph 1 above.

The indication of the names of Beneficiaries that belong to the groups set out in point 1.3 a), b) and c) of Annex 3A, Table 7 of the Issuers' Regulation shall be provided using the methods pursuant to Article 84-*bis*, paragraph 5a) of the Issuers' Regulations.

1.4 Description and indication of number, broken down by category:

a) *of Executives with Strategic Responsibilities other than those specified in point b) of paragraph 1.3*

The Plan does not describe or indicate the number of the Beneficiaries that belong to the groups set out in point 1.4 a) and c) of Annex 3A, Table 7 of the Issuers' Regulations.

For the method of identifying the Beneficiaries, refer to paragraph 1 above.

The description and indication of number, broken down by category, of the Beneficiaries that belong to the categories set out in point 1.4 a) and c) of Annex 3A, Table 7 of the Issuers' Regulation shall be provided using the methods pursuant to Article 84-*bis*, paragraph 5a) of the Issuers' Regulations.

b) *for "small" companies pursuant to Article 3, paragraph 1 f) of Regulation no. 17221 of 12 March 2010, the indication of groups of Executives with Strategic Responsibilities of the issuer of financial instruments.*

Not applicable.

c) *of any other categories of employees or contractors for which differentiated features of the Plan apply*

The Plan shall be the same for all Beneficiaries, and will be differentiated only with regard to the following two aspects:

- the amount of the incentive, which increases based on the strategic importance of the role held by the Beneficiary
- the different weight of the performance indicators among Beneficiaries that are Corporate Resources and Beneficiaries that are Business Resources.

(2) **Reasons underlying adoption of the Plan**

2.1 Objectives to be achieved by means of assignment of the Plan and more detailed information

The Plan was introduced as an incentive and retention instrument for the Chief Executive Officer and Key Managers to ensure the utmost alignment of the interest of the Beneficiaries with the pursuit of the priority objectives of creating sustainable value for shareholders over a medium/long-term time horizon.

2.2 Key variables, including in the form of performance indicators, considered in order to assign the financial instrument based plans and more detailed information

The Plan sets out incentive levels defined as percentages of fixed remuneration linked to both the Total Shareholder Return and the achievement of specific performance targets.

The significant performance indicators are as follows:

- **Economic Value Added** of the ERG Group (cumulative Δ EVA): as a parameter of the income statement result that represents the “residual” monetary value after all production factors have been remunerated, including the cost of capital employed. Thus by expressing income net of the cost of capital, the EVA considers the equity and financial components alongside the income component.
- **TSR**: this is a performance target linked to the performance of the ERG share in the reference three-year period and the amount of dividends per share paid in the same period, which guarantees greater alignment of the Beneficiary with the interests of shareholders

The performance ratios envisaged will be differentiated, within the values indicated below, based on the role covered by the Beneficiary in the ERG Group in relation to the scenario of the Business Plan which will be approved and communicated to the financial community:

% weight of parameters	TSR	Δ EVA
Corporate Resources	40% – 60%	60% – 40%
Business Resources	10% – 40%	90% – 60%

The Plan establishes:

- a minimum level of performance, below which no incentive shall be paid,
- a target level of performance which is associated with the value of the target incentive of each Beneficiary
- an outstanding level of performance which is associated with the maximum monetary value that can be reached by the Beneficiary

The entire compensation, where accrued, will be fully settled at the end of the Plan.

The Company shall have the right to exercise the clawback clause, i.e. the option to request the partial or total return of the monetary incentive paid (or to withhold deferred amounts), within 3 years from its accrual, where the incentive is found to have been determined based on data that was subsequently deemed clearly incorrect.

2.3 Elements underlying the determination of the amount of compensation based on financial instruments, i.e. the criteria used to determine it and more detailed information

With regard to the Chief Executive Officer, the target level of incentive shall be assessed and defined by the Board of Directors, upon recommendation by the Nominations and Remuneration Committee, having consulted the Board of Statutory Auditors, in relation to the critical nature of the role held and considering the specific benchmarks of the role in terms of overall and target remuneration and, in any event, in line with the Remuneration Policy.

With regard to the other Beneficiaries, the target level of incentive shall be assessed and defined by the Chief Executive Officer, with the support of the Executive Deputy Chairman, having consulted the Nominations and Remuneration Committee, in relation to the critical nature of the role held and considering the specific benchmarks of each role in terms of overall and target remuneration and, in any event, in line with the Remuneration Policy.

2.4 The reasons underlying any decision to assign compensation plans based on financial instruments not issued by the issuer

Not applicable.

2.5 Assessments of significant tax and accounting implications which have affected the definition of the plans

The structure of the Plan was not affected by the applicable tax regulations or by accounting implications.

2.6 Any support of the plan by the Special Fund to encourage workers' investment in businesses, pursuant to Article 4, paragraph 112 of Law no. 350 of 24 December 2003

Not applicable.

(3) Approval procedure and timing for assignment of the instruments

3.1 Scope of powers and functions delegated by the Shareholders' Meeting to the Board of Directors for the purpose of implementing the Plan

On 11 March 2015 the Board of Directors, upon recommendation by the Nominations and Remuneration Committee on 4 March 2015, having consulted the Board of Statutory Auditors, resolved to submit the Plan to the approval of the Shareholders' Meeting pursuant to Article 144-bis of the CFA.

Following approval by the Shareholders' Meeting, the Board of Directors will implement the Plan in execution of the delegation that shall be conferred by the Shareholders' Meeting. Upon recommendation by the Nominations and Remuneration Committee, having consulted the Board of Statutory Auditors, also through parties delegated for such purpose – as specified in the Information Document – the Board of Directors will (i) approve the Regulations; (ii) identify the Beneficiaries based on the criteria defined; (iii) define the minimum, target and outstanding performance levels and assign the target value of the incentive to the Beneficiaries; (iv) define all other terms and conditions for implementing the Plan.

3.2 Indication of the parties appointed to administer the Plan and their function and responsibilities

The administration of the Plan is assigned to the Nominations and Remuneration Committee, which shall use the support of the Chief Human Capital Officer.

3.3 Any procedures in place for the review of plans, including in relation to any alteration of the basic objectives

The Plan develops over several years. Thus it is possible that events may occur (either internal or external to the Group) that influence the consistency of the incentive strategy (minimum performance, target performance and outstanding performance) of the Plan, limiting its ability to achieve the purposes for which it was designed.

Specifically, these events are attributable, in general, to two cases; i) change of the ERG perimeter; ii) significant change in the macroeconomic and/or business scenario or other extraordinary factors.

Revision of the incentive strategy: change in ERG perimeter

Over the timeframe of the Plan extraordinary/non-recurring events or events unrelated to ordinary operations may occur (merely by way of example: acquisition of a company, sale of a business unit) considered to be particularly relevant and/or currently not included in the management plans, which result in a significant change in the perimeter of the ERG Group. These events could make the performance scenarios (minimum, target and outstanding) which are linked to accrual of the incentive substantially obsolete.

Revision of the incentive strategy: significant change in the macroeconomic and/or business scenario or other extraordinary factors.

Over the timeframe of the Plan there may be significant changes in the macroeconomic scenario, significant changes in the competitive scenario or extraordinary events with significant impacts outside the possible actions of the management. These events could make the performance scenarios (minimum, target and outstanding) which are linked to accrual of the incentive substantially obsolete.

On the occurrence of said events, upon recommendation by the Nominations and Remuneration Committee, having consulted the Board of Statutory Auditors, within the authorisation limits of the Shareholders' Meeting the Board of Directors may review the incentive strategy, modifying the basic result scenarios (minimum performance, target performance and outstanding performance) to take account of said events. Any changes made must safeguard the principles and guidelines which form the basis of the Plan and not introduce any undue benefits or penalties for either the Beneficiaries of the Plan or for ERG.

3.4 Description of the methods by which to determine the availability and assignment of the financial instruments the Plan is based on

The Plan involves the disbursement of monetary incentives, not the assignment of financial instruments.

3.5 The role played by each director in determining the characteristics of the Plan, any situations of conflict of interest arising concerning the relevant directors

In line with the recommendations of the Corporate Governance Code, the Plan was defined by the Board of Directors upon recommendation by the Nominations and Remuneration Committee, fully composed of independent directors, having consulted the Board of Statutory Auditors.

The Board of Directors agreed to submit the Plan to the Shareholders' Meeting pursuant to Article 114-*bis*, also upon recommendation by the Nominations and Remuneration Committee and having consulted the Board of Statutory Auditors.

In relation to its Beneficiaries, the Plan constitutes a transaction with related parties subject to approval by the Shareholders' Meeting pursuant to Article 114-*bis* of the CFA, and thus the specific procedures set out in the Procedure for transactions with related parties and the current legal and regulatory provisions do not apply.

3.6 For the purposes of the requirements of Article 84-bis, paragraph 1 of the Issuers' Regulations, the date of the decision taken by the competent body to propose the approval of the plan to the Shareholders' Meeting and any proposal by the remuneration committee, if any

On 11 March 2015 the Board of Directors, upon recommendation by the Nominations and Remuneration Committee on 4 March 2015, having consulted the Board of Statutory Auditors, resolved to submit the Plan to the approval of the Shareholders' Meeting.

3.7 For the purposes of the requirements of Article 84-bis, paragraph 5 a) of the Issuers' Regulations, the date of the decision taken by the competent body with regard to the assignment of the instruments and the proposal formulated by the remuneration committee, if any, to said body

Not applicable.

3.8 The market price, recorded on said dates, of the financial instruments on which the plans are based, if traded on regulated markets

The market price of the ERG share on the date when the Board of Directors, upon recommendation by the Nominations and Remuneration Committee, having consulted the Board of Statutory Auditors, approved the Plan to submit to the Shareholders' Meeting, i.e. 11 March 2015¹, was: EUR 11,78.

3.9 For plans based on financial instruments traded on regulated markets, the exact terms and methods used by the issuer to consider, when identifying the timing of the assignment of financial instruments in implementation of the plan, of the possible concurrence in time of:

(i) said assignment or any decisions taken in this regard by the remunerations committee, and

(ii) the dissemination of any significant information in accordance with Article 114, paragraph 1 of the CFA; for example, if such information is: a) not already public or able to positively affect market listing, or b) already public and able to negatively affect market listings.

Not applicable.

(4) The characteristics of the instruments assigned

4.1 Description of the ways in which the compensation plans based on financial instruments are structured

¹ Date on which the Board of Directors approved the Plan to be submitted for the approval of the Shareholders' Meeting.

The Plan involves a single assignment of monetary incentives which may be disbursed once three years have passed from the assignment, in an amount connected with conditions of performance (set out in paragraph 2) achieved.

4.2 Indication of the period of effective implementation of the Plan also with reference to any cycles envisaged

The Plan envisages a sole assignment in 2015, subject to a 3-year Vesting Period and, therefore, the period of implementation of the Plan runs from 2015 to 2018. Any disbursement will take place in the latter year.

4.3 Termination of the Plan

The Plan shall terminate in 2018 with the disbursement of any incentives accrued.

4.4 Maximum number of financial instruments assigned in each fiscal year in relation to the parties identified by name or included in the specified categories

The Plan involves the disbursement of monetary incentives, not the assignment of financial instruments.

4.5 Methods and clauses for the implementation of the Plan, specifying whether the effective assignment of the instruments is subject to conditions being met or given results being achieved, including performance-related results; description of said conditions and results

The disbursement of the monetary incentive is subject to the achievement of the performance conditions described in paragraph 2, established by the Board of Directors, upon recommendation by the Nominations and Remuneration Committee, in the reference period, as part of the Company's Business Plan, and the continued employment of the Beneficiary with the Company.

The Plan's performance conditions are verified by the Board of Directors, upon recommendation by the Nominations and Remuneration Committee, both annually and on termination of the Vesting Period, through a detailed process of verification of the results actually achieved.

4.6 Indication of any restrictions on availability affecting the instruments assigned or on the financial instruments deriving from the exercise of options, with specific reference to the terms within which the subsequent transfer to the company or third parties is permitted or prohibited

Not applicable.

4.7 Description of any conditions for termination relating to the assignment of plans in the event that the beneficiaries carry out hedging transactions that enable the neutralisation of any prohibitions of the sale of the financial instruments assigned, also in the form of options, or financial instruments deriving from the exercise of said options

Not applicable.

4.8 Description of the effects resulting from the termination of employment

The Plan establishes that, should the Beneficiary's employment contract be terminated due to i) loss of control of the Subsidiary in which the Beneficiary works by ERG or sale of the company (or business unit) where the Beneficiary works to a company that is not a subsidiary, ii) dismissal without just cause; iii) retirement, which takes place by the date when the Board of Directors verifies, at the end of the three-year period, the performance conditions of the Plan, the Beneficiary shall not lose their status, meaning that the incentive shall be disbursed to the entitled parties in a proportionate amount to the period from the assignment to the occurrence of said events, as well as in relation to any results achieved in that period.

In all other cases of termination of employment, should the interruption of employment occur at any time from the effective date of the Plan to the time of disbursement of any incentive, the Beneficiary shall not be entitled to the payment of any incentive. The Board of Directors, upon recommendation by the Nominations and Remuneration Committee, having consulted the Board of Statutory Auditors, may apply any changes and/or additions to the Plan that may be necessary for its implementation.

4.9 Indication of any causes for the cancellation of the plans

No causes for cancellation of the Plan are envisaged. The Board of Directors, upon recommendation by the Nominations and Remuneration Committee, having consulted the Board of Statutory Auditors, may apply any changes and/or additions to the Plan that may be necessary due to events (internal or external to the ERG Group) that influence the consistency of the incentive strategy.

4.10 Reasons for the potential inclusion of "redemption" by the Company of the financial instruments covered by the plans arranged in accordance with Articles 2357 et. seq. of the Italian Civil Code; the beneficiaries of the redemption, specifying if it is only intended for specific categories of employees; effects of the termination of employment on said redemption

Not applicable.

4.11 Any loans or other benefits intended to be granted with the purchase of shares pursuant to Article 2358 of the Italian Civil Code.

Not applicable.

4.12 Indication of assessments of the expected charge for the company at the assignment date, as can be determined on the basis of the terms and conditions already defined, in the total amount and in relation to each plan instrument

Currently, no forecasts can be made concerning the expected charge for the Company.

4.13 Indication of any dilution effects on the capital resulting from the compensation plans

Not applicable.

4.14 - 4.22

The sections concerning the assignment of shares and stock options are not applicable.

4.23 Criteria for the adjustments necessary following extraordinary transactions on capital and other transactions entailing a change in the number of underlying instruments (capital increases, extraordinary dividends, groupings and splitting of underlying shares, mergers and spin-offs, conversions into other share categories, etc.).

See paragraph 3.3 above.

4.24

Not applicable.