

BOARD OF STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS' MEETING, PURSUANT TO ARTICLE 153 OF LEGISLATIVE DECREE NO. 58/98 AND WITH ARTICLE 2429 OF THE ITALIAN CIVIL CODE

To the Shareholders' Meeting of ERG S.p.A.

The Board of Statutory Auditors, in office at the date of this report, was appointed by the Shareholders' Meeting of 23 April 2013; the appointment took place in accordance with the applicable provisions of the laws, regulations and articles of association, and the composition of the Board fulfils the gender parity criteria per Article 148 of Italian Legislative Decree no. 58/98.

The Board of Statutory Auditors verified the lack of grounds for invalidation, ineligibility and incompatibility prescribed by Articles 2382 and 2399 of the Italian Civil Code and by Article 148 of Italian Legislative Decree no. 58/98, as well as compliance with the limits to the accumulation of offices, per Article 148-bis of Italian Legislative Decree no. 58/98.

The members of the Board of Statutory Auditors undertake that they have complied with the disclosure obligations set out by Article 148-bis of Legislative Decree 58/98 and by the Issuers' Regulations at Articles 144-duodecies et seq., establishing limits to the accumulation of offices that may be held in other Companies.

The Board of Statutory Auditors verified the existence, at the time of acceptance of the appointment, and the permanence, subsequently, in the course of the performance of its duties, of the independence requirements for all members of the Board of Statutory Auditors, based on the criteria prescribed by the Standards of Behaviour of the Board of Statutory Auditors, prepared by the National Board of Chartered Accountants, and by the Corporate Governance Code of listed companies with reference to independent directors.

In this regard, it should be specified that the Board of Statutory Auditors verified the existence of the requirement for the independence of the Chairman, Mr. Mario Pacciani, although he has been in office longer than the prescribed nine-year period, as expressly notified in accepting the candidacy, letting substance (assurance of independent judgement) prevail over form (automatic enforcement of the limit of nine years in office).

The Board of Statutory Auditors notified the outcome of the audit to the Board of Directors for the assessment under its competence, in accordance with Article 144-novies, Paragraph 1-ter of CONSOB Regulation no. 11971, which provides communication thereof in the Report on Corporate Governance to the Shareholders' Meeting.

The Board of Statutory Auditors undertakes that on 23 April 2013 it delivered to CONSOB, in compliance with CONSOB Communication no. 6031329 of 7 April 2006, the "Summary of oversight activities".

During the year ended on 31 December 2013, the Board of Statutory Auditors carried out the supervisory activities required of the Board of Statutory Auditors, pursuant to Article 149 of Italian Legislative Decree 58/98 (Consolidated Finance Act – CFA), in compliance with the Standards of behaviour of the Board of Statutory Auditors in corporations with shares listed on regulated markets, prepared by the National Board of Chartered Accountants and with the recommendations issued by CONSOB concerning corporate controls and the activities of Board of Statutory Auditors.

In preparing this report, due consideration was given to CONSOB communications no. 1025564 of 6 April 2001, no. 3021582 of 4 April 2003 and no. 6031329 of 7 April 2006, pertaining to the content of the reports of the Boards of Statutory Auditors to the Shareholders' Meetings of companies with shares listed on the stock market.

With reference to the supervisory activity carried out with respect to compliance with the law, with the Articles of Association and with regulations, and to the enforcement of proper administration standards, the Board of Statutory Auditors hereby undertakes that:

- In the course of financial year 2013, the Board of Statutory Auditors held thirteen meetings and attended the Shareholders' Meeting and the eight meetings of the Board of Directors. From the closing date of the Financial Statements to the date of this report, the Board of Statutory Auditors has met five times.

The Control and Risk Committee met eight times (of which five times in joint session with the Board of Statutory Auditors, in view of the issues to be discussed) and the Nominations and Remuneration Committee met six times.

The Board of Statutory Auditors attended all meetings of the Control and Risk Committee and of the Nominations and Remuneration Committee through the participation of its own Chairman or of another Auditor designated by him.

- By attending the Shareholders' Meetings and the meetings of the Board of Directors, the Board of Statutory Auditors supervised compliance with the articles of association, the laws and regulations that govern the operation of the Company's bodies and the enforcement of proper administration standards. The frequency of the meetings of the Board of Directors and directors' average attendance rate and the duration of the meetings were adequate and no significant resolutions were passed without providing sufficient information to the directors and statutory auditors. The Board of Statutory Auditors verified that all resolutions were in accordance with the best interest of the company and supported by suitable documentation and by expert opinions pertaining the economic-financial congruity of transactions, when necessary.

The Board of Statutory Auditors deems that the governance instruments and institutions adopted by the Company provide a valid safeguard for compliance with proper administration standards in operating practice.

- The Board of Statutory Auditors acknowledges that the Board of Directors receives adequate information from the Chief Executive Officer and from the Control and Risk Committee; it supervises the general operating performance, periodically comparing the results achieved with those planned; it scrutinises and approves transactions with significant relevance.
- The Board of Statutory Auditors acquired from the directors, at least once per quarter, adequate information on the overall activity carried out by the Company, in the various businesses where it operated, also through subsidiaries and associated companies, and about the transactions with the greatest economic and financial relevance, ascertaining that the actions resolved and carried out were compliant with the law and with the articles of association and were not manifestly imprudent or foolhardy, in potential conflict of interest or in contrast with the resolutions passed by the corporate bodies or such as to compromise the integrity of the company's capital. The Board of Statutory Auditors also supervised compliance with the Guidelines, Standards of behaviour and Procedures in force within the Group.

Additional information on the subsidiaries of ERG S.p.A. was obtained from the Independent Auditors and from the statutory auditors of the subsidiaries.

- Based on the information received and as a result of the analyses carried out by the Board of Statutory Auditors, it has emerged that the transactions with the greatest economic, financial and capital relevance carried out by the Company, also through direct or indirect investees, consisted of the following:

- acquisition, through ERG Renew S.p.A., of the IP Maestrale Group (now called ERG Wind Investments Ltd.) with related economic and financial impacts on the 2013 financial statements;

- entry of the UniCredit banking institution among the shareholders of ERG Renew S.p.A., through the acquisition of a minority interest representing 7.14% of the share capital, through a rights issue, subscribed in January 2014, on the basis of the agreements finalised in December 2013;
- definition of the sale, through the exercise of the put option of the final 20% interest in ISAB S.r.l., with the definition of certain environmental issues, with the related impact of the transaction on the income and financial accounts;
- agreement for the sale of the ISAB Energy plant and early termination of CIP 6, subject to conditions precedent;
- definition of a new Group organisational model, with the spin-off of the oil business and of the service activities supporting the Group to wholly owned companies;
- acquisition of ERG Renew Operations & Maintenance S.r.l. (through ERG Renew S.p.A.), with the goal of carrying out internally the operations and maintenance activities for wind farms in Italy;
- settlement pertaining to the dispute with Versalis S.p.A. (formerly, Polimeri Europa S.p.A.) for claims allegedly caused by the fire in the Priolo Refinery of 30 April 2006;
- agreements entered into by LUKERG Renew GmbH, a joint venture of ERG Renew S.p.A. and LUKOIL-Ecoenergo with Vestas for the acquisition of 100% of two already operational wind farms in Romania and Bulgaria (total installed capacity, 84 MW).

All the above listed transactions are discussed in the accompanying notes to the financial statements and in the Report on Operations for the year 2013, which also provides a comprehensive update on the reference regulatory framework, which is constantly evolving.

The Company has selected the option, introduced by CONSOB with its resolution no. 18079 of 20 January 2012, of waiving the obligation to make available to the public an information document upon carrying out significant transactions, i.e. mergers, demergers, capital increase by transfer in kind, acquisition and sale. Disclosure of this decision is provided in the Annual Financial Report, as required by Article 70 of the Issuers' Regulation.

The Board of Statutory Auditors oversaw compliance with the "Market abuse" and "Protection of savings" regulations on corporate disclosure and "Internal Dealing", with particular reference to the treatment of privileged information and to the procedure for disseminating notices and information to the public. In particular, the Board of Statutory Auditors monitored compliance with the provisions of Article 115-bis of the Consolidated Finance Act and of the Regulation about updates to the Register of persons with access to privileged information.

The Board of Statutory Auditors reviewed and assessed the document for the verification and update both of the areas where the parent company exercises management and control and of the companies on which said powers are exercised, verifying compliance with the provisions of Article 2497 et seq. of the Italian Civil Code.

The Board of Statutory Auditors, agreeing with the determinations of the Nominations and Remuneration Committee, expressed, in the course of the year, its favourable opinion in relation to the resolutions of the Board of Directors, pertaining to:

- the allocation of the annual remuneration for Directors tasked with specific duties, commensurate to their effort and defined (with the advice of specialised firms) through a process of market benchmarking with listed companies; the determinations of the Nominations and Remuneration Committee are consistent with the Remuneration Policy of the Company, submitted to the consultative vote of the Shareholders' Meeting and therefore excluded from the scope of the Procedure for Related Party Transactions in accordance with Article 3.2, Letter c of said Procedure;

- the updating of the target value of the EVA differential and of the related minimum and maximum thresholds as a result of the significant impact on the Group of the acquisition of the IP Maestrale Group, in accordance with the Regulations of the LTI medium/long-term incentive system (revision of the incentive strategy due to changes in the ERG perimeter);
- the payment of an extraordinary bonus to the persons – including the Executive Deputy Chairman and the Chief Executive Officer – who gave a decisive contribution to completion of the acquisition of the IP Maestrale Group (now called ERG Wind) based on the non-binding reasoned opinion expressed in this regard by the Nominations and Remuneration Committee, also in accordance with the Procedure for Related Party Transactions, taking into account the strategic value of the transactions, the contribution actually provided by each Director, and the total amount of annual remuneration received;
- the allocation to the Head of Internal Audit, Risk and Compliance of variable remuneration for the year 2012 and partly fixed and partly variable remuneration for the year 2013 defined by the Board of Directors at the proposal of the Director in charge of the Internal Control and Risk Management System, with the favourable opinion of the Control and Risk Committee;
- the proposal of the Nominations and Remuneration Committee to quantify the retention bonus portion to be paid to the Chief Executive Officer in relation to the year 2012, fully agreeing with the reasons and conclusions of the Committee.

The Board of Statutory Auditors acknowledges that all above decisions were made, at the proposal or with the reasoned favourable opinion of the Nominations and Remuneration Committee, in compliance with the Group's current guidelines, consistently with the Remuneration Policy and in compliance with the provisions of the Procedure for Related Party Transactions.

All information about the nature and the amount of such compensation is provided in the Report on Remuneration (in accordance with Article 123-ter of Italian Legislative Decree 58/98).

ERG S.p.A. adheres to the most recent edition of the Corporate Governance Code published in December 2011; the differing decisions already made by the Board of Directors are adequately disclosed in the pertinent sections of the Report on Corporate Governance. The Board of Statutory Auditor concretely ascertained adherence to the aforesaid Code, as was adequately represented in the Report on Corporate Governance and Ownership, in compliance with Article 124-ter of the Consolidated Finance Act and with Article 89-bis of the CONSOB Regulations.

The Board of Statutory Auditors verified, in accordance with Article 3, Paragraph 5 of the Corporate Governance Code, within the scope of its oversight on the manner of concrete implementation of corporate governance rules, the correct enforcement of the assessment criteria and procedures adopted by the Board of Directors, concerning the positive evaluation of Directors' independence, both with reference to the provisions of Article 148, third paragraph, of the Consolidated Finance Act, and with reference to the contents of the Corporate Governance Code, assigning more relevance to substance over form.

The Board of Statutory Auditors verified the correct enforcement of the criteria and verification procedures adopted by the Board of Directors to assess the independence of its own members, assigning more relevance to substance (assurance of independent judgement) over form (automatic enforcement of the limit of nine years in office).

The Board of Statutory Auditors has agreed with the positive assessment expressed by the Nominations and Remuneration Committee, endorsed by the Board of Directors as required by application standard no. 1. Paragraph 1, Letter g) of the Corporate Governance Code, on the

size and composition of the board of directors and its operation as well as on the size, composition and operation of the board committees.

To carry out the assessment, the Board did not only employ the assessment criteria already used in the past year, but also the results of a self-assessment questionnaire prepared by the ERG Corporate Affairs Division at the request of the Nominations and Remuneration Committee and sent to members of the Board of Directors and of the Board of Statutory Auditors.

With reference to the supervisory activity on the adequacy of the organisation and of the internal control system, the Board of Statutory Auditors acquired knowledge and supervised, for matters under its competence, compliance with proper administration standards, through the information received directly from the heads of the various company functions and from representatives of the Independent Auditors.

The Board of Statutory Auditors assessed and monitored the adequacy of the internal control system, compliant with the principles set out in the Corporate Governance Code and, more in general, with best practices, both in its design and operation.

Attending the meetings of the Control and Risk Committee enabled both the timely exchange of relevant information for the performance of the respective duties and coordination with the activities of the Committee in carrying out the function, assigned to the Board of Statutory Auditors by Article 19 of Italian Legislative Decree no. 39/2010, of Committee for Internal Control and Audit, aimed, in particular, at overseeing the process pertaining to financial disclosure and the effectiveness of the internal control, internal audit and risk management systems.

Within the scope of this activity, in particular, the Board of Statutory Auditors received and examined:

- a) the periodic reports on activities prepared by the Control and Risk Committee and by the Internal Audit, Risk and Compliance Division;
- b) the reports prepared, at the conclusion of the audit and monitoring activities, by the Internal Audit, Risk and Compliance Division, with the related findings, recommended actions and follow up;
- c) the plan of activities and the budget of the Internal Audit, Risk and Compliance Division for 2014;
- d) the quarterly updates on the development of the risk management process, the outcome of the monitoring and assessment activities carried out by the Internal Audit, Risk and Compliance Division and the objectives achieved.

Neither the periodic reports nor the meetings with the Internal Audit, Risk and Compliance Division brought to light any deficiencies in the available resources or any restrictions imposed on the monitoring activity.

With regard to risk management, the Board of Statutory Auditors noted that, in compliance with the guidelines, transactions are carried out to minimise commodity price risks and financial risks (foreign exchange and interest rate risk), solely for hedging purposes, without taking speculative positions; derivative financial instruments, as defined by Article 2427-bis of the Italian Civil Code (options, swaps, futures and forward contracts), were used. The Notes to the Financial Statements provide, in accordance with Article 2427-bis of the Italian Civil Code, the market values, on the basis of the mark to market values of the reference market, verifying congruity through evaluation instruments and models.

In particular, the risk management principles were reviewed within the scope of the sales and purchases of the Oil Business Unit and the related policy adopted by the Company, endorsing the recommendations formulated in this regard by the Control and Risk Committee.

Lastly, the Board of Statutory Auditors reviewed and endorsed, participating in the meetings of the Control and Risk Committee:

- the proposed updates to the Guidelines of the Internal Control and Risk Management System, aimed at better defining the general principles whereby the main risks are managed in the Group, and the procedures for coordinating the major players of the Internal Control and Risk Management System;
- the new Guidelines against Corruption, directed at providing all personnel and, in particular, those who work abroad in favour or on behalf of companies of the ERG Group, with the principles and rules to be applied to assure compliance with anti-corruption laws;
- the Guidelines for Compliance with Italian Legislative Decree no. 231/01 and with anti-corruption laws in the companies of the ERG Group, in order to provide ERG Group Companies with methodological indications with regard to the adoption of the Code of Ethics and the procedures for managing compliance with the provisions of Italian Legislative Decree no. 231/2001, and to dictate the principles and rules to follow to assure compliance with anti-corruption laws.

Request for information pursuant to Article 115, Paragraph 1 of Italian Legislative Decree no. 58/98

With regard to the warrant by the Prosecutor's Office issued within the scope of an investigation for alleged tax irregularities on the part of TotalErg S.p.A., the Board of Statutory Auditors acknowledges that it has received prompt disclosure and timely updates. The same corporate body, after appropriate scrutiny, replied on 14 January 2014 to the request for information received from CONSOB on 23 December 2013, transmitting on 7 February 2014 the minutes of the meeting of the Board of Statutory Auditors of 12 December 2013, as specifically requested by CONSOB on 4 February 2014.

At the date of this Report, the Company has not been served with notices of a tax nature in connection with the aforementioned investigation, nor have any elements emerged which may lead to suspect the Company's non-compliance with the laws on these matters.

With reference to the organisational and procedural activities performed in accordance with Italian Legislative Decree 231/2001, for the administrative liability of Entities for the offenses prescribed by the regulations, the Board of Statutory Auditors acknowledged, both in the meeting with the Supervisory Committee and in the periodic reports prepared by the aforesaid Body on the activity it carried out, that no significant critical issues were observed for the purposes of the implementation and effectiveness of the organisation, management and control Model.

For the matters under its competence, the Board of Statutory Auditors:

- verified that the members of the Supervisory Committee meet the professional requirements prescribed by the Model in accordance with Legislative Decree 231/2001;
- noted the adequacy of the powers and financial resources allocated to the Supervisory Committee for the proper performance of its institutional duties;
- verified consistency between the reports it received and the disclosure provisions of the Model;
- reviewed the plan of activities for the year 2014;
- reviewed the proposed updates to the Model and to the Code of Ethics, aimed at implementing the relevant regulatory and jurisprudential changes that have taken place and the organisational changes made in the ERG Group, always taking into account the evolution of reference best practices;
- reviewed the outcome of the risk assessment carried out, as a result of the integration of the plan of activities of the Internal Audit, Risk and Compliance Division, on the ERG Wind Group and the actions taken in this regard.

With reference to the activity of overseeing the adequacy of the administrative-accounting system and its reliability in correctly representing operations, the Board of Statutory Auditors received adequate information about the monitoring of company processes with administrative-accounting impact within scope of the internal control system, performed both during the year in relation to periodic reports on operations and upon closing the accounts for the preparation of the Financial Statements, in compliance with the monitoring and certification obligations ERG S.p.A. must fulfil in accordance with Law 262/05.

In this regard, the Board of Statutory Auditors reviewed the proposed updates to the Model per Italian Law no. 262/2005, as a result of the organisational and corporate changes made to the Group, the risk assessment and the results of the test activities, taking into account the outcomes of the test activities on the checks made and the plan of scheduled activities. No particular critical issues and elements were found that would prevent the issue of the certification by the Manager responsible for preparing the company's financial reports and by the Chief Executive Officer on the adequacy of the administrative and accounting procedures for the drafting of the Financial Statements of ERG S.p.A. and of the Consolidated Financial Statements both for the year 2012 and for the year 2013.

The adequacy of the administrative-accounting system was also assessed through the acquisition of information from the heads of the respective functions and the analysis of the results of the work carried out by the Independent Auditors.

The Board of Statutory Auditors oversaw compliance with regulations on the preparation and publications of the Half-yearly Financial Report and on Interim Reports on Operations, as well as their manner of drafting and the correct application of accounting standards, using also the information obtained from the Independent Auditors.

The Board of Statutory Auditors verified the adequacy of the instructions issued by ERG S.p.A. to its subsidiaries, both with reference to the flows of data necessary for the preparation of the Financial Statements and the Interim Reports, and to compliance with public disclosure obligations pursuant to Article 114, Paragraph 2 of Legislative Decree no. 58/98.

With reference to the oversight of health, safety and environmental matters, the Board of Statutory Auditors participated in the annually planned meeting, together with the Boards of Statutory Auditors of the other companies in the Group, in which the respective persons in charge presented the main characteristics of the production sites and the most significant health, safety and environmental issues. From the presentation of the persons in charge and from the documentation illustrated and handed out to all participants, the Board of Statutory Auditors acknowledged the constant attention of the corporate bodies and of the Top Management with regard to these issues, whose policy is an integral part of the Code of Ethics. In particular, the attention dedicated to constant training, updating and improvement activities is readily apparent, along with the existence of a formalised system of delegation of authority, with the precise definition of duties and responsibilities.

The Board of Statutory Auditors also acknowledged the significant resources invested to raise the level of sensitivity on the various issues and to spread a veritable culture of prevention, with the involvement of the entire organisation.

Consistently with the Group's health, safety and environment Policy, in 2013 the goal of updating the Guidelines for the integrated Management of Health, Safety and Environment within the Group was achieved, and the programme for certifying the Integrated Management Systems according to the international standards ISO 14001 Environment and OHSAS 18001 Health and Safety was consolidated.

The Board of Statutory Auditors acknowledged that:

- ISAB Energy Services S.r.l. renewed its certification for the activities carried out at the sites of the ISAB Energy and ERG Power plants and pertaining to ISAB Energy (owner of the assets comprising the IGCC Plant) in relation to environmental management in accordance with ISO 14001.

- ERG Power complemented the existing ISO 14001 certification with the qualification according to the standard OHSAS 18001.
- ERG Renew completed the group certification process, for all subsidiaries (excluding companies within the LUKERG perimeter and ERG Renew Operations & Maintenance), of the Integrated Management Systems according to the standard ISO14001, ISO9001 and OHSAS 18001.

With reference to the privacy code, in 2013, the ERG Group upgraded its security policies in order to assure an adequate level of protection of personal data subject to processing in compliance with the privacy Code (Italian Legislative Decree 196/2003) and of the Instructions issued by the supervisory Authority.

As a result of the supervision and control activity carried out during the year, the Board of Statutory Auditors can certify and note that:

- during the activity carried out, no omissions, irregularities or objectionable or otherwise significant facts emerged, such as would require notification to the supervisory bodies or mention herein;
- the Board of Statutory Auditors did not receive any reports in accordance with Article 2408 of the Italian Civil Code or complaints by third parties;
- no transactions were identified, either with third parties or intra-group and/or with related parties, that appeared atypical or unusual by their contents, nature, dimensions and timing, for which no adequate disclosure was provided to the Board and to the public, when required;
- concerning intra-group transactions, the Directors highlighted, in the Notes to the Financial Statements and in the Report on Operations, as in past years, the existence of relationships of a commercial and financial nature between the companies of the ERG Group, specifying that such transactions are included among ordinary operations and are carried out at market conditions;
- related party transactions related almost entirely to transactions carried out for streamlining and economisation purposes with subsidiaries and affiliates outside the scope of consolidation; they are part of ordinary operations, are regulated at market conditions and are illustrated in the Report on Operations and in the Notes to the Financial Statements. In particular, the Board of Statutory Auditors reviewed and approved the document containing the main income data of the intercompany service agreements for the year 2013, appreciating the analysis in the identification of the criteria for charging back to individual companies the services set out therein, according to the services used;
- the Company had other transactions with Related Parties, as defined by IAS 24, which are also illustrated in the Notes to the consolidated Financial Statements;
- the Board of Statutory Auditors verified the existence and compliance with suitable procedures to assure that intra-group transactions and with related parties are carried out transparently and in compliance with substantial and procedural correctness standards, positively assessing whether the transactions were in the best interest of the company and the adequacy of the information provided by the directors in the Report on Operations and in the Notes to the Financial Statements.

During the year, the Board of Statutory Auditors communicated regularly with the Independent Auditors, both through formal meetings attended also by the administrative managers of the Company, and through informal meetings between individual members of the Board and representatives of the Independent Auditors, for the purposes of the mutual exchange of significant data and information, in compliance with Article 150 of Legislative Decree 58/98. The utmost collaboration was always provided, also with regard to work on the preparation of the financial statements, and no critical issues of any significance emerged.

In compliance with the rules set out in Articles 10 and 17 of Legislative Decree no. 39 of 27 January 2010, the Independent Auditors issued formal confirmation of their independence, with a declaration dated 21 March 2014, and it disclosed the non-audit services rendered to the company, also through entities belonging to the network; in this regard, the Board of Statutory Auditors confirmed that the information received and verified during the year matched the disclosure.

On 21 March 2014, the Independent Auditors delivered to the Board of Statutory Auditors, in its capacity as the "Committee for internal control and accounting audits in accordance with Article 19 of Legislative Decree 39/2010" the report on the fundamental issues emerged in the course of the regulatory audit, which did not denounce any significant deficiencies in the internal control system in relation to the financial disclosure process.

Taking into account the "Annual transparency report" prepared by Deloitte & Touche S.p.A., published on its website and delivered to the Board of Statutory Auditors on 18 December 2013, as well as the statement of its own independence issued by the aforesaid company, and the duties assigned by ERG S.p.A. and by the consolidated companies, after verifying that no appointments were made for services that may compromise the Independent Auditors' independence in accordance with Article 17 of Legislative Decree 39/2010, the Board of Statutory Auditors does not deem that there are any critical aspects with respect to the independence of Deloitte & Touche S.p.A.

For the full audit of the Separate Financial Statements and of the Consolidated Financial Statements and for the limited audit of the Half-yearly financial report and the voluntary audit of the interim Reports, the Independent Auditors Deloitte & Touche S.p.A. received total compensation of EUR 360 thousand.

Additionally, ERG S.p.A. contracted Deloitte & Touche S.p.A. for additional services amounting to EUR 233 thousand for the following work:

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| ● Agreed audit procedures on periodic reports | EUR | 212 thousand |
| ● Unbundling per AEEG Resolution no. 11/2007 | EUR | 21 thousand |

Companies connected to the Deloitte & Touche network were contracted to perform services amounting to EUR 194 thousand, broken down as follows:

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| ● Studio Tributario e Societario for tax advisory services | EUR | 154 thousand |
| ● Deloitte ERS for sustainability report | EUR | 35 thousand |
| ● Deloitte ERS for ISO 2006 audit | EUR | 5 thousand |

The Board of Statutory Auditors reviewed the proposals for professional advisory services and verified that the activity is not incompatible with the auditing activity, in accordance with Article 160 of the Issuers' Regulations, as confirmed by CONSOB in the document "outcome of the consultation" of 4 May 2007. For complete disclosure, it is hereby also reported that Deloitte & Touche S.p.A. received from ERG S.p.A. and from subsidiaries (including ERG Renew S.p.A.) auditing appointments for total fees of EUR 672 thousand and additional appointments, other than auditing financial statements, for a total amount of EUR 263 thousand.

In addition, companies connected with the network of the Independent Auditors received appointments for the total amount of EUR 570 thousand, of which EUR 300 thousand for tax advice in relation to the acquisition of the Wind Group by ERG Renew S.p.A.

Concerning the Separate Financial Statements, the following is reported.

- The Board of Statutory Auditors ascertained, through direct checks and information obtained from the Independent Auditors, compliance with the laws that regulate the drafting and organisation of the Financial Statements and of the Report on Operations, of the financial statement models adopted and the accounting standards, described in the Notes to the Financial Statements and the Company's Report on Operations.

- In accordance with CONSOB Resolution no. 15519/2006, the financial statements expressly indicate the effects of transactions with related parties.
- The Notes to the Separate Financial Statements provide the information prescribed by International Accounting Standards with regard to asset impairment. The compliance of the impairment test procedure with the prescriptions of IAS 36 and of the Bank of Italy/CONSOB/Isvap joint document no. 4 of 3 March 2010 was subjected to the formal approval of the Board of Directors in the meeting of 26 February 2014, autonomously and in advance with respect to the time of approval of the financial reports, as recommended by the aforesaid Document. The Board of Statutory Auditors has analysed and discussed, in a joint meeting with the Control and Risk Committee, the document prepared and illustrated by an independent expert, which describes the analyses made and the results obtained in the impairment test activity.

The Board of Statutory Auditors, after analysing on one hand the consistency with the schemes adopted previously and on the other hand the reasons for change relative to the previous year, deemed the procedure correct and the main assessment hypotheses reasonable, and therefore approved the results thereof.

The impairment test uncovered:

a. In the Separate Financial Statements

- for the equity investment in TotalErg S.p.A. an impairment of EUR 86 million, deriving from the excess carrying value of the equity investment in TotalErg S.p.A. recognised in the financial statements, relative to its recoverable value; the write-down was allocated in reduction of the value of the equity investment and recognised in the income statement;
- for the equity investment in ERG Renew S.p.A., a partial value recovery of EUR 35 million, allocated to increase the value of the equity investment, written down in previous periods, with offsetting entry in the income statement, under income from equity investment.

b. In the Consolidated Financial Statements:

- for the equity investment in TotalErg S.p.A. an impairment of EUR 58 million, deriving from the excess carrying value of the equity investment in TotalErg S.p.A. recognised in the financial statements, relative to its recoverable value; the write-down was allocated in reduction of the value of the equity investment and recognised in the Income Statement.

- The Chief Executive Officer and the Manager responsible for preparing the company's financial reports issued the certification, in accordance with Article 81 – ter of CONSOB Regulation no. 11971/1999 with subsequent amendments and additions and with Article 154-bis of Legislative Decree 58/1998 (CFA).
- The Financial Statements match the facts and information of the Board of Statutory Auditors became aware in the performance of its supervisory duties and in the exercise of its oversight and inspection powers.
- The Report on Operations meets law-mandated requirements and it is consistent with the data and results of the financial statements; it provides ample disclosure about the business and about relevant transactions, of which the Board of Statutory Auditors had punctually been informed, and about the main risks of the company and of its subsidiaries and on intra-group transactions and transactions with related parties, as well as about the process of upgrading the corporate organisation in accordance with the standards of governance, consistently with the Corporate Governance Code for listed companies.

- In accordance with Article 123-ter of Legislative Decree 58/1998 (CFA), the Report on Remuneration, reviewed in a joint meeting with the Control and Risk Committee, is submitted to the Shareholders' Meeting.

On 21 March 2014, the Independent Auditors issued the report in accordance with Articles 14 and 16 of Legislative Decree 39/2010, declaring that the financial statements as at 31 December 2013 are in accordance with the International Financial Reporting Standards – IFRS – adopted by the European Union, and with the regulations promulgated to implement Article 9 of Legislative Decree no. 38/2005, and they are prepared clearly and they represent truthfully and fairly the financial situation, the income and expenses and the cash flows of ERG S.p.A. for the year that ended on that date.

The audit report expresses the judgements on the consistency with the financial statements of the Report on Operations and of the information of the Report on Corporate Governance, per Article 123-bis of Italian Legislative Decree no. 58/98.

In view of the contents of this report, the Board of Statutory Auditors has no observations to formulate with respect to the approval of the Financial Statements as at 31 December 2013 and to the proposal of the Board of Directors and on the payment of dividends using the earnings from the year 2013 and, for the residual part, using retained earnings.

Genoa, 21 March 2014

The Board of Statutory Auditors

(Mr. Mario Pacciani)



(Ms. Elisabetta Barisone)



(Mr. Lelio Fornabaio)

