



## ERG GROUP 2018-2020 LONG-TERM INCENTIVE PLAN

### INFORMATION DOCUMENT

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 1991, as amended and supplemented ("Issuers' Regulation")

## 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 2018-2020 Long-Term Incentive Plan (the “**Plan**”) approved by the Board of Directors on 7 March 2018 upon recommendation by the Nominations and Remuneration Committee, on 1 March 2018, 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 23 April 2018, in first call and, if necessary, on 24 April 2018, in second call (the “**Shareholders’ Meeting 2018**”).

The Plan provides for assignment of a predefined number of Shares, free of charge (i.e. the “Performance Shares”, as these are defined below) upon conclusion of a three-year vesting period, subject to achieving a pre-set minimum economic performance objective (i.e. the Target EBITDA, as defined below). If in addition to the economic performance objective, a pre-determined market objective attaching to the ERG Share on the MTA is reached (i.e., the Outstanding Price, as this is defined below), the number of Shares assigned will increase to a pre-set maximum amount. The shares servicing the Plan will be composed exclusively of Treasury shares already held in the portfolio, pursuant to authorisation from the Shareholders’ Meeting.

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.eu](http://www.erg.eu)) in the section “Corporate Governance/Shareholders’ Meeting 2018”, at Borsa Italiana S.p.A. and on the authorised storage platform eMarket Storage ([www.emarketstorage.com](http://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:

<b>Chef Executive Officer:</b>	the Chief Executive Officer of ERG.
<b>Shareholders' Meeting:</b>	the Shareholders' Meeting of ERG.
<b>Shares or ERG Share:</b>	the ordinary ERG shares, listed on the MTA.
<b>Assigned Shares:</b>	the number of shares that have actually been assigned, free of charge, to the Beneficiaries upon conclusion of the Vesting Period, according to the terms and conditions that will be predefined in the Regulations.
<b>Attributed Shares:</b>	the number of Shares communicated to the Beneficiaries at the start of the Vesting Period that may be assigned upon conclusion of the Vesting Period, according to the terms and conditions to be defined in the Regulations.
<b>Beneficiaries or Key Managers:</b>	Plan Beneficiaries of 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.
<b>Chief Human Capital Officer:</b>	the ERG Human Capital manager.
<b>Clawback Clause:</b>	the clause which allows the Company to request the partial or total return of the Assigned Shares or the corresponding monetary value on the Assignment Date (or it may withhold the Attributed Shares), within 3 years from their maturity date, should they have been assigned on the basis of data that was subsequently found to be incorrect.
<b>Corporate Governance Code:</b>	the currently applicable Code of conduct for listed companies issued by Borsa Italiana S.p.A.
<b>Board of Statutory Auditors:</b>	the Board of Statutory Auditors of ERG.

<b>Nominations and Remuneration Committee:</b>	the Nominations and Remuneration Committee of ERG.
<b>Board of Directors:</b>	the Board of Directors of ERG.
<b>Approval Date:</b>	the date of approval of the Regulations by the Board of Directors.
<b>Assignment Date:</b>	the date on which the Attributed Shares will be delivered to the Beneficiaries, pursuant to the resolution of the Board of Directors, subject to fulfilment of the terms and conditions defined in the Regulations.
<b>Attribution Date:</b>	the date on which the Beneficiaries are informed regarding the Attributed Shares at the start of the Vesting Period that may be assigned upon conclusion of the Vesting Period, according to the terms and conditions to be defined in the Regulations.
<b>Executives with Strategic Responsibilities:</b>	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), available on the Company's website ( <a href="http://www.erg.eu">www.erg.eu</a> ) in the section "Corporate Governance/ Governance Documents".
<b>ERG or the Company:</b>	ERG S.p.A.
<b>Target EBITDA:</b>	the Plan performance condition, comprising a preset percentage of between 80% and 100% of Group EBITDA accrued in 2018-2020 gross of depreciation, amortisation and write-downs, financial income and expenses and taxes.
<b>Target incentive level:</b>	the preset percentage of the fixed remuneration of each Beneficiary based on the strategic importance of the role undertaken in terms of achieving the objectives of the Business Plan.
<b>MTA:</b>	the screen-based Share Market (MTA) which is organised and managed by Borsa Italiana S.p.A. on which the Shares are listed.
<b>Performance Share:</b>	the Shares assigned free of charge upon reaching a minimum predefined performance level.

<b>Performance Period or Vesting Period:</b>	the three-year period during which performance is measured, according to the criteria to be defined, from 1 January of the attribution year to 31 December of the year preceding the assignment year.
<b>Plan:</b>	the 2018-2020 Long-Term Incentive Plan.
<b>Business Plan:</b>	the 2018-2022 Business Plan which was approved by the Board of Directors on 7 March 2018.
<b>Remuneration Policy:</b>	the Policy adopted by ERG for the remuneration of the members of the Board of Directors and the Executives with Strategic Responsibilities, applicable to financial year 2018, effective from the date it is approved by the Board of Directors.
<b>Target Price:</b>	the reference price of the ERG Share required for definition of the number of shares to be attributed to each Beneficiary at the start of the Plan.
<b>Outstanding Price:</b>	the market performance condition attaching to the Plan, comprised of the ERG Share reference price above which a predefined additional number of shares will be assigned, provided that the Target EBITDA is also achieved.
<b>Regulations:</b>	the document which will govern the terms and conditions applicable to the Plan to be approved by the Board of Directors, on the recommendation of the Nominations and Remuneration Committee, after considering the opinion of the Board of Statutory Auditors.
<b>Subsidiaries:</b>	companies directly or indirectly controlled by ERG pursuant to Article 93 of the CFA.
<b>Executive Deputy Chairman:</b>	the Executive Deputy Chairman of ERG.

## 1. BENEFICIARIES

The Plan shall apply to the directors and/or employees of ERG and the Subsidiaries who are strategically significant to the latter in terms of achieving the Business Plan objectives (for the relative reference period of the Plan, which shall follow the three-year mandate to be granted to the new Board of Directors by the 2018 Shareholders' Meeting), including certain 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 after the Approval Date, provided they are identified by February 2019.

### 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 Executive Directors who are of strategic importance in terms of achievement of the objectives of the Business Plan (hereinafter the "Directors with Strategic Responsibilities"), appointed by the Board of Directors meeting to be held after the work of the 2018 Shareholders' Meeting has been concluded.

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

When the Beneficiaries include other parties who 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 Beneficiaries include parties that 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.

### **1.3 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' Regulations**

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' Regulations 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' Regulations 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 will apply to all Beneficiaries, any differentiation consisting exclusively of the number of Shares Attributed to each Key Manager, which will increase according to the strategic importance of the role undertaken by the Beneficiary in terms of the achievement of the Business Plan objectives.

## 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 instrument and, where applicable, an instrument to aid in the retention of Directors with Strategic Responsibilities and the other Key Managers with strategic significance in terms of achieving the objectives of the Business Plan (for the relative period of reference covered by the Plan).

The structure of the Plan aims to stimulate the utmost alignment, in terms of objectives, of the Beneficiaries' interests with the pursuit of the primary objective of sustainable creation of value for Shareholders over the medium/long-term.

The horizon of the Plan is aligned with the three-year mandate (for the years 2018-2020) to be granted to the Board of Directors by the 2018 Shareholders' Meeting.

### 2.2 Key variables, including in the form of performance indicators, considered in order to assign the financial instrument based plans

The number of Shares Attributed to each Beneficiary at the start of the Vesting Period (or, pursuant to paragraph 1 above, by February 2019) will be defined so as to construct, for each, a remuneration package which will overall be coherent and balanced insofar as its constituent parts, in line with best market practices, and in consideration of the Key Manager in terms of achieving the Business Plan objectives.

The number of Attributed Shares will be determined so as to achieve a balance between the overall remuneration (fixed/variable) as defined in the 2018 Remuneration Policy for each Beneficiary<sup>(1)</sup> and the Target Price set at the start of the Plan.

The Plan provides that assignment of the Assigned Shares will be subject to reaching the Target EBITDA as a minimum predefined economic performance condition. The Plan also provides that:

- no Share will be assigned if the Target EBITDA fails to be reached;
- if an Outstanding Price (i.e. a predefined performance of the ERG Share on the MTA) is also achieved in addition to the Target EBITDA, the number of Assigned Shares will increase, based on the level of value created for the shareholders, up to a maximum predefined amount (the Cap).

The Plan performance conditions are monitored annually and verified upon conclusion of the Vesting Period, through precise analysis of the actual results by the Nominations and Remuneration Committee, supporting the resolutions that the Board of Directors will be required to make, pursuant to the Regulations.

The Company will be entitled to enforce the Clawback Clause.

<sup>(1)</sup> It is hereby specified that the pay mix of the Directors with Strategic Responsibilities may fluctuate according to the mandates to be given by the 2018 Shareholders' Meeting to the Board of Directors in terms of achievement of the Business Plan objectives.

### **2.3 Elements underlying the determination of the number of shares to be assigned and the criteria used for determination thereof and more detailed information**

The number of Shares Attributed to each Beneficiary is calculated on the basis of the Target Incentive Level, which equals a predefined percentage of the relative fixed remuneration and the Target Price. The Target Price will be defined at the start of the Plan by the Board of Directors, on the recommendation of the Nominations and Remuneration Committee, after considering the opinion of the Board of Statutory Auditors.

With regard to the Directors with Strategic Responsibilities, the Target Incentive Level will 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 in relation to the achievement of the Business Plan objectives 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 Incentive Level 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 in relation to the achievement of the Business Plan objectives 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 Reasons underlying any decision to attribute remuneration plans based on financial instruments not issued by the issuers of the financial instruments, such as financial instruments issued by subsidiaries or parent companies or companies that do not belong to the Group, if such instruments are not traded on regulated markets information on the criteria used for determination of the value attributable thereto**

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 7 March 2018 the Board of Directors, upon the recommendation made on 1 March 2018 by the Nominations and Remuneration Committee, having consulted the Board of Statutory Auditors, resolved to submit the Plan to the approval of the 2018 Shareholders' Meeting pursuant to Article 144-*bis* of the CFA.

Following the approval of the Shareholders' Meeting, the Board of Directors will execute the mandate granted to it by the 2018 Shareholders' Meeting and implement the Plan and, on the recommendation of the Nominations and Remuneration Committee, upon considering also the opinion of the Board of Statutory Auditors, including through individuals delegated by it, as indicated in the Information Document it will (i) approve the Regulations; (ii) identify the Beneficiaries according to the criteria that have been defined; (iii) define the Target EBITDA, as the indicator of economic performance, the Outstanding Price as the indicator of market performance, the Target Price and the Target Incentive Level; (iv) make changes as necessary to the Plan or which are required in order to comply with regulatory changes, including to the governance, and pursue all the amendments required or appropriate for ensuring that the incentive strategy is coherent with a) a change in the perimeter of ERG or of the ERG Group and/or extraordinary corporate and/or financial transactions (including involving the capital) b) a significant change in the macro-economic and/or business scenario or other extraordinary factors; and (v) will moreover define any other term and condition required for implementation of 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 avail itself of 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 ERG Group) that could influence the consistency of the incentive strategy of the Plan, limiting its ability to achieve the purposes for which it was designed. In particular, such events would generally be due to two cases: (i) a change in the perimeter of ERG and the ERG Group; and (ii) a significant change in the macroeconomic scenario and/or business or other extraordinary events.

*Revision of the incentive strategy: change in ERG or ERG Group 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 ERG or ERG Group. Such events could make the performance scenarios (i.e. the Target EBITDA, the Target Price and the Outstanding Price) which are linked to assignment of the Shares, essentially 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. Such events could result in the performance scenarios (i.e. the Target EBITDA, the Target Price and the Outstanding Price) essentially becoming 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 2018 Shareholders' Meeting the Board of Directors may review the incentive strategy, modifying the basic performance scenarios (i.e. the Target EBITDA, the Target Price and the Outstanding Price) 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.

The Plan Regulations shall include, among other things, any procedures, terms and conditions regarding the revision of the Plan.

**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 provides for assignment of a predefined number of Assigned Shares, subject to reaching the Target EBITDA. The Plan also provides that if in addition to the Target EBITDA, the Outstanding Price is also achieved, the number of Assigned Shares will increase up to a predefined maximum number (the Cap). The shares servicing the Plan will be composed exclusively of Treasury shares already held in the portfolio, pursuant to authorisation from the Shareholders' Meeting.

### **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, 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* of the CFA, 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 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**

On 7 March 2018 the Board of Directors, upon recommendation by the Nominations and Remuneration Committee submitted on 1 March 2018, and after having consulted the Board of Statutory Auditors, resolved to submit the Plan for the approval of the Shareholders' Meeting.

### **3.7 The date of any decision taken by the competent body with regard to the assignment of the instruments and the proposal formulated by the remuneration committee to said body**

The definitive implementation of the Plan will follow the approval of the relative Regulations by the Board of Directors, upon the recommendation of the Nominations and Remuneration Committee, after considering the opinion of the Board of Statutory Auditors, subsequently to the approval of the Plan by the 2018 Shareholders' Meeting.

The assignment of the Shares to each Beneficiary will take place within the month of May 2021, the year following the conclusion of the Vesting Period, established as 2020, following verification by the Board of Directors, upon the recommendation of the Nominations and Remuneration Committee and having considered the opinion of the Board of Statutory Auditors, that the assigned performance objectives have been met.

### **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, i.e. 7 March 2018, 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 2018 Shareholders' Meeting, was equal to EUR 17.16.

**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.

On 7 March 2018 the Board of Directors, upon recommendation by the Nominations and Remuneration Committee submitted on 1 March 2018, and after having consulted the Board of Statutory Auditors, approved the Plan and resolved to submit the same for the approval of the 2018 Shareholders' Meeting pursuant to Article 144-*bis* of the CFA.

The Regulations which will be approved by the Board of Directors, on the recommendation of the Nominations and Remuneration Committee, after duly considering the opinion of the Board of Statutory Auditors, in execution of the mandate provided by the 2018 Shareholders' Meeting, will also contain the conditions, times and criteria for the determination of the number of Shares to assign to each Beneficiary, without the possibility of exercising any discretionary powers.

The assignment of the Shares to each Beneficiary will take place within the month of May 2021, the year following the conclusion of the Vesting Period, established as 2020, following verification by the Board of Directors, upon the recommendation of the Nominations and Remuneration Committee and having considered the opinion of the Board of Statutory Auditors, that the assigned performance objectives have been met.

Beneficiaries are required to observe the provisions regarding privileged information as these are set forth in the applicable law and regulation, particular with regard to the sale of any Shares assigned subsequent to verification of the fulfilment of the performance objectives assigned.

## **4. THE CHARACTERISTICS OF THE INSTRUMENTS ASSIGNED**

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

The Plan provides for assignment of a predefined number of Assigned Shares, subject to reaching the Target EBITDA. The Plan also provides that if in addition to the Target EBITDA, the Outstanding Price is also achieved, the number of Assigned Shares will increase up to a predefined maximum number (the Cap). The shares servicing the Plan will be composed exclusively of Treasury shares already held in the portfolio, pursuant to authorisation from the Shareholders' Meeting.

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

The Plan envisages a single attribution of Shares in 2018, subject to a Vesting Period and, therefore, the period of implementation of the Plan runs from 2018 to 2021. Any assignment of Shares will take place in the latter year.

### **4.3 Conclusion of the Plan**

The Plan will end in 2021, upon expiration of the Vesting Period, with the assignment of any Attributed Shares.

### **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 provides for a single attribution of Shares. It is estimated that if the required economic performance level is reached, 500,000 Shares will be required. If the Outstanding Price is reached, it is estimated that the number of Shares required will increase up to a maximum of 1,052,240 (Cap), or 70% of the Treasury Shares held in the Portfolio, as at the approval date of the Information Document, which is equal to 0.7% of the share capital.

### **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 attribution of the Shares envisaged by the Plan is subject to fulfilling the performance conditions set out in paragraph 2.2.

**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**

The Shares that will be attributed upon fulfilment of the conditions set forth in paragraph 2.2 will not have any restrictions attached to the sale thereof.

The Company will be entitled to enforce the Clawback Clause.

**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**

Any conditions for termination in relation to the Plan will be indicated in the Regulations to be approved by the Board of Directors, upon the recommendation of the Nominations and Remuneration Committee, after duly considering the opinion of the Board of Statutory Auditors, subsequently to the 2018 Shareholders' Meeting.

**4.8 Description of the effects resulting from the termination of employment**

Effects arising from the termination of the administrative and employment relation will be indicated in the Regulations to be approved by the Board of Directors, upon the recommendation of the Nominations and Remuneration Committee, after duly considering the opinion of the Board of Statutory Auditors, subsequently to the 2018 Shareholders' Meeting.

**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 become 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, insofar as 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**

The shares servicing the Plan will be composed exclusively of Treasury shares already held in the portfolio, pursuant to authorisation from the Shareholders' Meeting.

The assignment of the Shares to the Beneficiaries will dilute the voting rights of the other ERG shareholders. Currently, the voting rights relative to the Treasury shares in the portfolio are suspended pursuant to art. 2357-ter, par. 2 of the Italian Civil Code; once assigned to the Beneficiaries, these Shares will once again attribute voting rights to their relative holders. The assignment of the Treasury Shares to the Beneficiaries could result in a maximum dilution of the voting rights of 0.7%.

**4.14 Any limits set for the year with regard to exercising the right to vote and attribution of proprietary rights**

The Assigned Shares will have regular entitlement to benefits, as there are no limitations insofar as the exercise of the corporate or equity rights inherent in the shares.

**4.15 If the shares are not traded on regulated markets, any information that is functional to ensuring that the value attributable to them is exhaustive**

Not applicable as the Shares are traded on the MID CAP segment of the MTA.

**4.16-4.22**

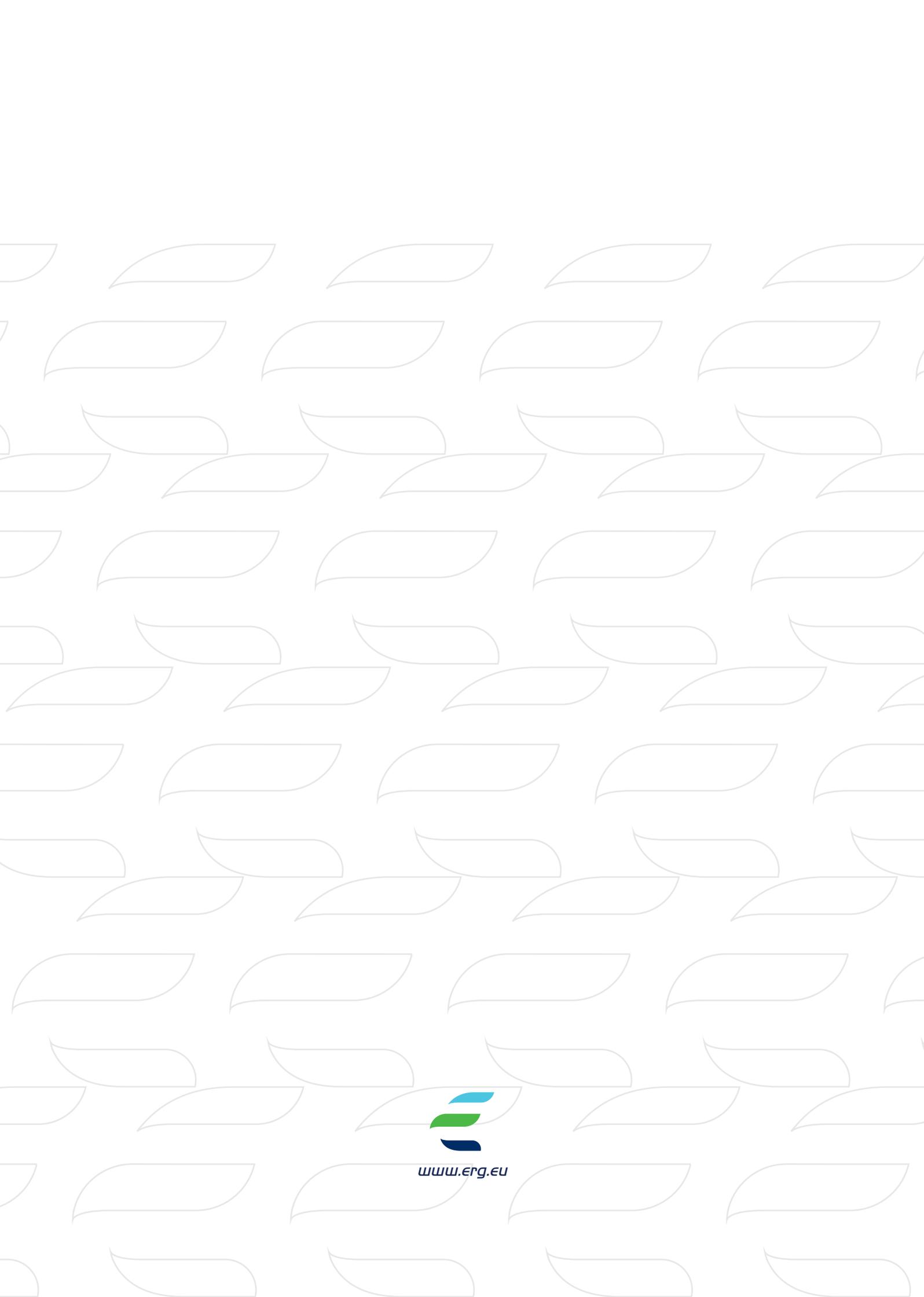
The sections concerning the assignment of stock options are not applicable.

**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 The issuers of the shares attach table no. 1 to this information document.**

Pursuant to article 84-bis of the Issuer's Regulations, the table with the Plan information will be provided at the time the Shares are attributed when the Plan resolved upon by the ERG Board of Directors, upon the recommendation of the Nominations and Remuneration Committee and after considering the opinion of the Board of Statutory Auditors, is implemented.



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