



## Press Release

**ERG Shareholders' Meeting approves the Financial Statements as at 31 December 2017, appoints the new Board of Directors, confirms Edoardo Garrone as Chairman and resolves to pay a dividend of 1.15 Euro per share, including an extraordinary component of 0.40 Euro**

**ERG's Board of Directors confirms Alessandro Garrone as Executive Deputy Chairman, Giovanni Mondini as Deputy Chairman and Luca Bettonte as Chief Executive Officer**

**Genoa, 23 April 2018** – The ERG S.p.A. Shareholders' Meeting, held today, approved the 2017 Financial Statements, which report a profit of Euro 24 million, and reviewed the Group's Consolidated Financial Statements as at 31 December 2017, which posted a recurring Group net result<sup>1</sup> of Euro 142 million, together with the consolidated Non-Financial Declaration as at 31 December 2017.

The Shareholders' Meeting appointed, for the next three-year period, the new Board of Directors – comprising 12 members – in the persons of Edoardo Garrone, Alessandro Garrone, Giovanni Mondini, Luca Bettonte, Massimo Belcredi, Marco Costaguta, Paolo Francesco Lanzoni, Mara Anna Rita Caverni, Barbara Cominelli, Silvia Merlo, Elisabetta Oliveri and Mario Paterlini<sup>2</sup> and confirmed Edoardo Garrone as Chairman of the Company.

ERG S.p.A.'s Board of Directors, having met on conclusion of the Shareholders' Meeting, confirmed the powers assigned to the Chairman, confirmed Alessandro Garrone as Executive Deputy Chairman, appointing the same as Director responsible for overseeing the internal control and risk management system, and also confirmed Giovanni Mondini as Deputy Chairman and Luca Bettonte as Chief Executive Officer.

Edoardo Garrone, continuing the mandate previously assigned, will oversee, via duties of supervision, direction and control, operations pertaining to corporate affairs.

Alessandro Garrone, in his capacity as Executive Deputy Chairman and Chairman of ERG S.p.A.'s Strategic Committee, continuing his previous mandate, will supervise the Group's strategic decisions and definition of the organisational macro-structure, also performing direction and coordination activities with regard to extraordinary operations including structured finance transactions, while in his capacity as Director responsible for overseeing the internal control and

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<sup>1</sup>Recurring Group net result **does not** include inventory gains (losses), non-characteristic items or applicable theoretical taxes.

<sup>2</sup> Directors Edoardo Garrone, Alessandro Garrone, Giovanni Mondini, Luca Bettonte, Massimo Belcredi, Marco Costaguta, Paolo Francesco Lanzoni, Mara Anna Rita Caverni, Barbara Cominelli, Silvia Merlo and Elisabetta Oliveri were drawn from the list presented by majority Shareholder San Quirico S.p.A., owner (as at 28 March 2018, date of the list's presentation) of 83,619,940 shares corresponding to 55.628% of ERG S.p.A.'s share capital, approved by a majority of shareholders in attendance at the Shareholders' Meeting. Director Mario Paterlini was drawn from the list presented by various Investors, owners (as at 26 March 2018, date of the list's presentation) of 1,710,179 shares corresponding to 1.138% of ERG S.p.A.'s share capital, approved by a number of shareholders whose overall percentage of ownership exceeds half of that required for presentation of the lists. The Directors' resumes are available on the Company's website [www.erg.eu](http://www.erg.eu).

risk management system he will verify the correct functioning and overall adequacy of the said Internal control and risk management system in accordance with the related guidelines approved by ERG S.p.A.'s Board of Directors.

In continuation of his previous mandate, the Chief Executive Officer was assigned the powers required to carry out all actions pertaining to the company's business, except for those reserved (by law or under the Articles of Association) for the Board of Directors and those assigned to other Directors.

The Board of Directors also gave a positive evaluation as regards the independence of Directors Massimo Belcredi and Paolo Francesco Lanzoni in reference to the provisions set forth by Article 148, third paragraph of the Consolidated Finance Act<sup>3</sup> and the independence of Directors Mara Anna Rita Caverni, Barbara Cominelli, Silvia Merlo, Elisabetta Olivero and Mario Paterlini in reference to both the provisions set forth by Article 148, third paragraph of the Consolidated Finance Act and those laid down in the existing Corporate Governance Code promoted by Borsa Italiana.

The Board of Directors confirmed Massimo Belcredi and Mara Anna Rita Caverni as members of the Control and Risk Committee and appointed, as additional member, Director Elisabetta Oliveri; confirmed Paolo Francesco Lanzoni and Silvia Merlo as members of the Nominations and Remuneration Committee and appointed, as additional member, Director Barbara Cominelli; confirmed as members of the Strategic Committee Directors Alessandro Garrone – Chairman – Giovanni Mondini, Luca Bettonte, Marco Costaguta and appointed, as additional members, Director Elisabetta Oliveri and Chief Financial Officer and Manager responsible for preparing the Company's financial reports, Paolo Luigi Merli, Manager with strategic responsibilities.

The Shareholders' Meeting resolved to pay a dividend of 1.15 Euro per share, including a non-recurring component of 0.40 Euro per share, which will be available for payment starting from 23 May 2018 (payment date), with an ex-dividend date (coupon no. 21) from 21 May 2018 (ex date) and record date of 22 May 2018.

The Shareholders' Meeting engaged the firm KPMG S.p.A. to perform the legal audit of accounts for the years 2018-2026.

The Shareholders' Meeting determined the fees payable to members of the Board of Directors, the Control and Risk Committee and the Nominations and Remuneration Committee for the year 2018, based on the proposals formulated in accordance with Article 126-*bis* of the Consolidated Finance Act by shareholder Polcevera, owner of 10,380,060 shares corresponding to 6.9% of ERG S.p.A.'s share capital.

In accordance with Article 2357 of the Italian Civil Code, the Shareholders' Meeting – in order to optimise the equity structure with a view to maximising value creation for Shareholders, also in relation to the liquidity available, and in any case for any and all other purposes allowed by the applicable legislative and regulatory provisions in force - authorised the Board of Directors, for a period of 12 months starting from 23 April 2018, to purchase treasury shares up to a revolving limit (intending thereby the maximum number of treasury shares from time to time held in portfolio) of 30,064,000 (thirty million and sixty-four thousand) ERG ordinary shares having a nominal value of Euro 0.10 each, at a unitary price, including additional purchase charges, to be no more than 30%

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<sup>3</sup> The Board of Directors, continuing the assessments carried out during the course of the previous three-year period, therefore giving more relevance to substance over form, as also recommended by the Corporate Governance Code, confirmed that Directors Belcredi and Lanzoni do not maintain, nor have they recently maintained, even indirectly, with the Company or with persons linked thereto, relationships such as to currently influence their autonomous judgement, pursuant to Principle 3.P.1 of the existing Corporate Governance Code promoted by Borsa Italiana. Moreover, in view of the length of their time in office, the Board of Directors considered it preferable not to qualify them as independent directors within the meaning set forth in the Corporate Governance Code.

lower in minimum and no more than 10% higher in maximum with respect to the reference price recorded by the share during the stock exchange session on the day prior to each individual transaction. Purchases must be carried out using distributable profits and available reserves as per the last approved financial statements, in compliance with Article 132 of the Consolidated Finance Act and in the manners set forth by Article 144-*bis*, paragraph 1.b) of the Issuers' Regulations, and namely *"on regulated markets or multilateral trading facilities in accordance with the operating procedures laid down in the rules for the organisation and management of such markets, which do not allow the direct matching of buy orders against predetermined sell orders"*. The Shareholders' Meeting also authorised the Board of Directors, pursuant to Article 2357-*ter* of the Italian Civil Code, for a period of 12 months starting from 23 April 2018, to sell treasury shares, in one or more stages and adopting whatever procedures may seem appropriate in relation to the actual objectives to be pursued by way of such disposal, at a unitary price no more than 10% lower in minimum with respect to the reference price recorded by the share during the stock exchange session on the day prior to each individual sale.

The Shareholders' Meeting approved the 2018-2020 long-term incentive plan, in accordance with the terms set forth in the Information Document made available to the public within the deadlines and according to the procedures set forth by current legislative and regulatory provisions.

Lastly, the Shareholders' Meeting approved the first section of the Remuneration Report prepared in accordance with Article 123-*ter* of the Consolidated Finance Act.

Pursuant to Article 125-*quater*, paragraph 2 of the Consolidated Finance Act, the summary statement of voting will be made available on the Company's website ([www.erg.eu](http://www.erg.eu)), in the section *"Corporate Governance/2018 Shareholders' Meeting"* within five days of the date of the Shareholders' Meeting. This document will contain: the number of shares represented at the Shareholders' Meeting and the number of shares for which votes have been cast, the percentage of share capital represented by these shares, the number of votes in favour or against the resolution and the number of abstentions.

The Meeting minutes will be made available to the public within the deadlines and according to the procedures laid down by current legislative and regulatory provisions at the Company's registered office at Via De Marini 1, Genoa, and on the Company's website ([www.erg.eu](http://www.erg.eu)) in the section *"Corporate Governance/2018 Shareholders' Meeting"*, at the offices of Borsa Italiana and on the eMarket Storage authorised storage mechanism ([www.emarketstorage.com](http://www.emarketstorage.com)).

*This press release issued at 4.45 p.m. (CEST) on 23 April 2018, is available to the public at the offices of Borsa Italiana, on the eMarket Storage authorised storage mechanism ([www.emarketstorage.com](http://www.emarketstorage.com)) and on the Company's website ([www.erg.eu](http://www.erg.eu)), in the section *"Media/Press Releases"*.*

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