



## ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF 21/22 APRIL 2020

### Extraordinary Part

1 - Proposal, pursuant to Article 2367 of the Italian Civil Code submitted by shareholder San Quirico S.p.A., to amend Article 10 of the Articles of Association.

PROPOSAL AND EXPLANATORY REPORT PRESENTED BY THE SHAREHOLDER SAN QUIRICO S.P.A.

*To Board of Directors of*

**ERG S.p.A.**

WTC Tower

Via De Marini, 1

16149 Genoa

Sent by PEC certified email to: [erg@legalmail.it](mailto:erg@legalmail.it)

Genoa, 28 February 2020

**Subject: request to call ERG S.p.A.'s extraordinary shareholders' meeting under Article 2367 of the Italian Civil Code.**

Dear Sirs,

hereby San Quirico S.p.A., holder of a 55.628% stake in the share capital of ERG S.p.A. ("**ERG**" or the "**Company**"), requests the Board of Directors of the Company to proceed per Article 2367 of the Italian Civil Code, to call the Company's Extraordinary Shareholders' Meeting (the "Meeting") to submit to shareholders a proposal to amend the Company's by-laws to introduce a mechanism to increase voting rights for its long-term shareholders per the provisions of and as permitted by article 127-*quinquies* of Italian Legislative Decree 58 of 24 February 1998.

To facilitate the broadest possible participation in the Shareholders' Meeting, it may be called for the same date as the Company's Ordinary Shareholders' Meeting called to approve the Financial Statements at 31 December 2019.

The adoption of the mechanism to increase the voting rights in the Articles of Association would make it possible to encourage – thanks to the greater weight given to the Shareholders' Meeting's decision-making process – medium/long-term investments, which can, first and foremost, support long-term strategies for the Group's development and growth, as well as counteract the volatility of the stock, which can, in turn, be triggered by short-term choices made by investors. In this way, a more efficient price formation process and a non-speculative approach to investment would be encouraged, in line with international best practices on corporate governance and with Directive (EU) 2017/828 – recently implemented in Italian legislation – aimed at promoting the effective and sustainable commitment and long-term orientation of shareholders, also through their greater involvement.

This proposal to amend the Articles of Association is in line with the choices made in this regard by a significant number of Italian listed companies (about one-fifth of which are characterised by a capital structure with increased voting rights, including excellence in various industries).

Lastly, since the above benefits require technical implementation times that cannot be compressed (since the shares must belong continuously to the individual shareholder for no less than 24 months to benefit from the increase in voting rights), it is deemed appropriate to adopt this mechanism, which is available to listed companies from 2014.

In light of these considerations, the shareholder San Quirico S.p.A. intends to submit to the Shareholders' Meeting the text of the proposals to amend Article 10 of the Company's by-laws described in detail in the *"Explanatory Report of the shareholder San Quirico S.p.A. on the proposal, formulated under Article 2367 of the Italian Civil Code, to amend Article 10 of the by-laws of ERG S.p.A. to introduce a mechanism to increase voting rights under Article 127-quinquies of Legislative Decree No. 58 of 24 February 1998"* attached below, which we invite you to make available to the public in the manner and within the terms required by current legislation concerning the Shareholders' Meeting.

We are available for any clarifications. Thank you for your cooperation.  
Best regards.

San Quirico S.p.A.

**General Manager**  
**Francesco Caldarulo**

Annex A: Certification of the intermediary under art. 83-quinquies paragraph 3 of Italian Legislative Decree no. 58 of 24 February 1998

Annex B: Shareholder's explanatory report of San Quirico S.p.A.



CERTIFICAZIONE DI PARTECIPAZIONE AL SISTEMA  
DI GESTIONE ACCENTRATA MONTE TITOLI  
(art. 46 del provvedimento Banca d'Italia/Consob 13/08/2018)

**Intermediario che rilascia la certificazione**

ABI  CAB   
denominazione Societe Generale Securities Service S.p.A

**Intermediario partecipante se diverso dal precedente**

ABI   
denominazione \_\_\_\_\_

Data della richiesta	Data rilascio della certificazione	N° progressivo annuo
<input type="text" value="25/02/2020"/> ggmmssaa	<input type="text" value="26/02/2020"/> ggmmssaa	<input type="text" value="506059"/>

**Su richiesta di:**

UNICREDIT S.P.A.

**Titolare degli strumenti finanziari:**

cognome o denominazione SAN QUIRICO SPA  
Nome \_\_\_\_\_  
codice fiscale / partita iva 04469810966  
comune di nascita \_\_\_\_\_ provincia di nascita \_\_\_\_\_  
data di nascita \_\_\_\_\_ nazionalità \_\_\_\_\_  
ggmmssaa  
indirizzo VIA MARTIN PIAGGIO 17-4  
città 16122 GENOVA ITALIA

**Strumenti finanziari oggetto di certificazione:**

ISIN   
denominazione

**Quantità degli strumenti finanziari oggetto di certificazione:****Vincoli o annotazioni sugli strumenti finanziari oggetto di certificazione**

data di:  costituzione  modifica  estinzione   
ggmmssaa

Natura vincolo \_\_\_\_\_

Beneficiario vincolo (denominazione, codice fiscale, comune e data di nascita, indirizzo e città di residenza o della sede)

Data di riferimento	Termine di efficacia/revoca
<input type="text" value="26/02/2020"/> ggmmssaa	<input type="text" value="28/02/2020"/> ggmmssaa

**Note**

Firma Intermediario

**SOCIETE GENERALE**  
**Securities Service S.p.A**

SGSS S.p.A.

Sede legale  
Via Benigno Crespi, 19/A  
20159 Milano  
Italy

Tel. +39 02 9178.1  
Fax. +39 02 9178.9999  
www.securities-  
services.societegenerale.com

Capitale Sociale € 111.309.007,08  
interamente versato  
Banca iscritta all'Albo delle Banche  
cod. 5622  
Assoggettata all'attività di direzione e  
coordinamento di Société Générale S.A.

Iscrizione al Registro delle Imprese di  
Milano, Codice Fiscale e P. IVA  
03126570013 Aderente al Fondo  
Interbancario di Tutela dei Depositi

**EXPLANATORY REPORT OF THE SHAREHOLDER SAN QUIRICO S.P.A. CONCERNING THE PROPOSAL, FORMULATED PURSUANT TO ARTICLE 2367 OF THE ITALIAN CIVIL CODE, TO AMEND ARTICLE 10 OF THE BYLAWS OF ERG S.P.A. IN ORDER TO INTRODUCE A MECHANISM FOR INCREASING VOTING RIGHTS PURSUANT TO ARTICLE 127-QUINQUIES OF LEGISLATIVE DECREE 58 OF 24 FEBRUARY 1998.**

Dear Shareholders,

this report (the **"Report"**) has been prepared by San Quirico S.p.A. (the **"Shareholder San Quirico"**), pursuant to art. 125-*ter*, paragraph 3, of Italian Legislative Decree 58 of 24 February 1998, as subsequently amended and supplemented (the **"CFA"**) and articles 72, paragraph 1-bis, and 84-*ter*, as well as Annex 3A, Schedule 3, of the Regulations adopted by Consob resolution no. 11971, as subsequently amended and supplemented (the **"Issuers' Regulations"**), concerning its request, made on 28 February 2020, under Article 2367 of the Italian Civil Code, to call a shareholders' meeting of ERG S.p.A. (the **"Company"**) – in extraordinary session – to submit to it the proposal to amend Article 10 of the Articles of Association to introduce a mechanism to increase voting rights as provided for and allowed by Article 127-*quinquies* of the Italian Consolidated Law on Finance.

The purpose of this Report is to explain in detail the proposed amendment to Article 10 of the Articles of Association and the reasons for its adoption, presenting the text of the current Article 10 of the Articles of Association in comparative form and, in bold in the adjacent column, the proposed amendment.

**GROUNDS FOR THE PROPOSAL AND EXPLANATION OF THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

In 2014, the Italian lawmaker (in Legislative Decree 91 of 24 June 2014, as amended by Conversion Law 116 of 11 August 2014) introduced Article 127-*quinquies* into the CFA, according to which the bylaws of companies listed on an Italian regulated market may increase shareholders' voting rights. This rule allows listed companies to provide incentives for medium-long term investments, rewarding stable shareholders.

In particular, Article 127-*quinquies* of the CFA establishes that the bylaws may increase voting rights, up to a maximum of two votes, for those who remain shareholders continuously for no less than 24 months from the date of registration in a special list kept by the Company. The favour expressed by the lawmaker concerning the increase in voting rights for so-called "permanent" shareholders is attested by the fact that Article 127-*quinquies*, paragraph 6, of the CFA excludes the right of withdrawal for shareholders who did not participate in the resolution amending the bylaws to introduce the increased vote.

Having said this, the Shareholder San Quirico points out that the adoption of the mechanism for the increase in voting rights at the statutory level would make it possible to encourage – thanks to the greater weight in the decision-making process at the Shareholders' Meeting – medium/long-term investments, which can, first and foremost, support long-term

strategies for the development and growth of the Group as well as counteract the volatility of the stock which can, in turn, be triggered by short-term choices made by investors. In this way, a more efficient pricing process and a non-speculative approach to investment would be favoured, in line with international best practices on corporate governance and with Directive (EU) 2017/828 – recently implemented in Italian legislation – aimed at promoting the effective and sustainable commitment and long-term orientation of shareholders, also through their greater involvement.

This proposal to amend the Articles of Association is in line with the choices made in this regard by a significant number of Italian listed companies (about one-fifth of which are characterised by a capital structure with increased voting rights, including excellence in various industries).

Lastly, since the above benefits require technical implementation times that cannot be compressed (since the shares must belong continuously to the individual shareholder for no less than 24 months to benefit from the increase in voting rights), it is now deemed appropriate to adopt this mechanism, which is available to listed companies from 2014.

To this end, the Shareholder San Quirico intends to propose that you adopt a mechanism to increase voting rights pursuant to Article 127-*quinquies* of the CFA and, therefore, to amend the Articles of Association as described below.

#### **Plus coefficient and vesting period**

Article 127-*quinquies*, paragraph 1, of the CFA gives listed companies the power to determine in the Articles of Association the amount of the increase in voting rights (up to a maximum of two votes for each share) and the duration of the minimum period for which the shares belong to determine the right to vote (provided that it is not less than 24 months).

Given the above, concerning the minimum period of holding of the shares eligible to determine the increase in voting rights, the Shareholder San Quirico considers it appropriate that the increase in voting rights should be acquired as from the minimum period of 24 months, in line with the requirement of the same law and with the practice developed in the matter, considering that this period is evidence of adequate stability of the share investment.

Concerning the amount of the increase in voting rights, the Shareholder San Quirico also deems it appropriate to propose an increase equal to two votes for each share, as allowed by the same Article 127-*quinquies* of the CFA and in line with practice, to maximise the incentive for long-term investment and, consequently, the positive effects resulting for the Company.

#### **Special list: registration and waiver**

Pursuant to Article 127-*quinquies*, paragraph 2, of the CFA, the entitlement to the increased vote requires the inclusion of shareholders who have the right to vote and who wish to benefit from this increase in a special list, the content of which is governed by Article 143-*quater* of the Issuers' Regulations.

This list does not constitute a new company register but is complementary to the shareholders' register and, consequently, the rules of publicity provided for the shareholders' register apply to it, including the right of inspection provided for in Article 2422 of the Italian Civil Code.

Therefore, the Shareholder San Quirico proposes to establish, at the Company's registered office, this special list and to grant the Board of Directors a mandate and all related powers to do so: (i) determine the manner in which the special list is to be maintained, in compliance with applicable law and, in particular, with the provisions of Article 143-*quater* of the Issuers' Regulations, and (ii) appoint the person responsible for maintaining the special list.

The Shareholder San Quirico also proposes to specify in the Articles of Association that:

- (i) the shareholder who wishes to have access to the benefit of the increased vote must apply for inclusion in the special list accompanying his application with: (a) an indication of the number of shares for which registration is requested (which may also be limited to a part of the shares held); (b) a communication from the intermediary on whose accounts the shares for which registration is requested are registered, certifying the ownership of the shares by the person submitting the request; (c) in the case of a shareholder other than a natural person, an indication of whether the shareholder is under the direct or indirect control of third parties and the identification data of the parent company if any; and (d) any other documentation required by current regulations;
- (ii) following registration on the special list, the registered party may, at any time, request in writing to the Company the cancellation from the special list for all or part of the shares registered, with consequent loss of entitlement to the benefit of the increased vote and, in any case, irrevocably waive the increased vote already accrued, always by written communication to the Company;
- (iii) in order to obtain the increase in voting rights, the shareholder concerned must submit a further communication, issued by the intermediary on whose accounts the shares registered in the special list are registered, certifying ownership of the shares and referring to the date of expiry of the continuous period of 24 months;
- (iv) the purchase of the benefit of the increase in voting rights becomes effective the first time between: (a) the third open market day of the calendar month following that in which the conditions required by the Articles of Association for the increase in voting rights occurred; or (b) the record date of any shareholders' meeting, determined in accordance with applicable law, following the date in which the conditions required by the Articles of Association for the increase in voting rights occurred;
- (v) the Company must update the special list by the third trading day after the end of each calendar month and, in any case, by the so-called record date provided for by the regulations in force in relation to the right to attend and vote at the Shareholders' Meeting (i.e., as things stand, by the end of the accounting day of the seventh trading day prior to the date set for the Company's Shareholders' Meeting, pursuant to the current Article 83-*sexies*, paragraph 2, of the CFA), so as to be able to comply with the obligations

to notify Consob and the public of the total amount of voting rights, in accordance with the procedures and timeframes set out in Article 85-*bis*, paragraph 4-*bis*, of the Issuers' Regulations.

### **Legitimate right in rem and no increase in the amount of the increase**

The Shareholder San Quirico proposes to specify in the Articles of Association that, in order to attribute the increased voting right, the circumstance that the "*share [belonged] to the same person*" referred to in Article 127-*quinquies* of the CFA, must be understood with reference to the shares whose voting right belonged to the same person by virtue of one of the following legitimating real rights:

- (i) full ownership of the share with voting rights;
- (ii) bare ownership of the voting share;
- (iii) the usufruct of the voting share.

The Shareholder San Quirico also proposes that, in accordance with the provisions of Article 127-*quinquies*, paragraph 3, of the CFA, the benefit of the increased vote should no longer apply:

- (i) in the case of transfer for consideration or free of charge of the share, it being understood that "transfer" also means the creation of a pledge, usufruct or other restriction on the share when this involves the loss of voting rights by the shareholder. In the event of transfer for consideration or free of charge of only part of the increased voting shares, the transferor retains the increased vote on the shares other than those transferred; as well as
- (ii) in the event of direct or indirect transfer of controlling interests in companies or entities that hold voting shares in excess of the threshold set forth in Article 120, paragraph 2, of the CFA.

In this regard, the Shareholder San Quirico proposes to specify in the Articles of Association that the following does not result in the loss of the entitlement to the increased vote or the restart of the calculation of the period of ownership necessary for the attribution of the right itself:

- (i) the succession due to death of the person on the special list, in the sense that the increased vote is retained in favour of the heir and/or legatee;
- (ii) the constitution of a pledge, usufruct or another lien on the shares for as long as the voting right remains attributed to the person giving the pledge or other lien or granting the usufruct;
- (iii) merger or division of the person on the special list;
- (iv) the transfer free of charge to heirs under a family agreement for the establishment and/or endowment of a trust, fund or foundation of which the registered transferor or his heirs are beneficiaries;
- (v) the transfer from one portfolio to another of UCITS (Undertakings for Collective Investment in Transferable Securities) managed by the same person;

(vi) a change in the trustee or trustee, where the legal right (as indicated above) is held through a trust or trust company and the beneficiaries or trustees do not change.

In such cases, the person who, as a result of the transactions described above, becomes the holder of the shares with increased voting rights will retain the increased voting rights where they have already accrued, or the same seniority as the person previously entered on the list.

### Extraordinary transactions and effects on the increase in voting rights

Consistently with the purpose underlying the proposal for the introduction of the increased vote by the Company that the Shareholder San Quirico submits for your approval, it is considered that the options provided by law for the proportional extension of the increase in voting rights will also be exercised to new shares that are issued during the capital increase, whether free of charge or with new contributions made in the exercise of the option right. With reference to mergers or demergers to which the Company may be a party, in accordance with the provisions of Article 127-*quinquies*, paragraph 4, of the CFA, it is proposed that the increase should also apply to shares assigned in exchange for shares for which the increase has matured or the vesting period is in progress, provided that the relevant merger or demerger plan so provides.

In all these cases, the newly issued and exchange shares assigned will acquire the benefit of the increase in voting rights as follows: (a) for newly issued shares or shares assigned in exchange to the holder in relation to shares for which the benefit of the increase in voting rights has already accrued, from the time of registration on the special list, without the need for a further lapse of the continuous period of ownership; and (b) for newly issued or allotted shares in exchange due to the holder in relation to shares for which the benefit of the increase in voting rights has not yet accrued (but is in the process of vesting), once the period of continuous possession calculated from the original registration in the special list has elapsed and the further formalities provided for in the "**Special List: registration and waiver**" section have been completed.

### Computation of meeting quorums

With reference to the effects of the increase in voting rights on the quorum of the Shareholders' Meeting, the Shareholder San Quirico proposes to replicate the legislative provisions according to which the increase in voting rights is calculated for the determination of the quorum for the constitution and resolution of resolutions that refer to capital rates while it does not affect the rights, other than voting rights, due and exercisable under certain capital rates.

### Effects that the introduction of the increased vote would have on the Company's ownership structure

As at the date of this Report, San Quirico S.p.A. holds a total stake of 62.533%, 55.628% directly and 55.628% indirectly – through Polcevera S.r.l. – 6.905%.

It should also be specified that, as illustrated above, the increase will be achieved after a continuous period of holding of the shares of not less than 24 months from the date of their registration in the special list at the request of the entitled party, and once the further formalities provided for in the "**Special list: registration and waiver**" section have been completed.

In the event that the Shareholder San Quirico were to ask for the increase in voting rights with respect to the entire shareholding held by the same and no other shareholder were to ask for the increase in voting rights, at the end of the 24 continuous months of holding, could exercise, overall, a percentage of voting rights equal to 76.948%.

### AMENDMENTS TO THE BYLAWS – COMPARISON TABLE

If the above proposal is approved, it will be necessary to amend Article 10 of the Company's Articles of Association.

Below, as an integral part of this Report, is a comparison of the paragraphs of Article 10 proposed for amendment, in the current wording and in the proposed wording (highlighting the amendments in bold).

CURRENT WORDING	PROPOSED WORDING
Article 10	Article 10
Each share entitles the holder to one vote.	<b>1.</b> Each share entitles the holder to one vote, <b>subject however to the provisions of the following paragraphs of this Article 10.</b>
Holders of voting rights can be represented in writing at the meetings, by way of a proxy to be granted subject to the limits and terms set forth by current legislative and regulatory provisions. Electronic notification of such proxy can be made via certified electronic mail in accordance with the procedures indicated in the notice of meeting or by using such other instrument as may be specified in the said notice.	<b>2.</b> (unchanged)
Holders of voting rights shall be entitled to attend the meeting, in observance of legislative and regulatory provisions, subject to having obtained a pass certificate, issued by the intermediary in accordance with current legislation and communicated to the company via the procedures and within the term set forth by current legislative and regulatory provisions.	<b>3.</b> (unchanged)

<b>CURRENT WORDING</b>	<b>PROPOSED WORDING</b>
In cases where bearer shares are permitted, holders of the same shall have the right to attend the meetings subject to having deposited them within the term and in the place determined in accordance with current legislative and regulatory provisions.	4. (unchanged)
	5. As an exception to the first sentence of subsection (1) of this Article, each share shall carry a double vote (i.e. two votes for each share) if both of the following conditions are satisfied: (a) the share has belonged to the same person, by virtue of a right in rem entitling him to vote (full ownership with voting rights or bare ownership with voting rights or usufruct with voting rights) for a continuous period of at least twenty-four months; (b) the recurrence of the condition under (a) is attested by the continuous registration, for a period of at least twenty-four months, in the special list established for this purpose governed by this article (the "Special List") as well as by a specific communication proving the ownership of the shares referring to the date of expiry of the continuous period issued by the intermediary with which the shares are deposited in accordance with the regulations in force.
	6. The acquisition of the increase in voting rights will be effective the first time between: (i) the third open market day of the calendar month following that in which the conditions required by the Articles of Association for the increase in voting rights occurred; or (ii) the so-called record date of any Shareholders' Meeting, determined in accordance with current regulations, following the date in which the conditions required by the Articles of Association for the increase in voting rights occurred.
	7. The Company shall establish and maintain at the registered office, in the forms and contents provided for by applicable regulations, the Special List, to which shareholders wishing to benefit from the increase in voting rights must register. In order to obtain registration in the Special List, the person legitimated under this article must submit an appropriate application, attaching a communication certifying the ownership of the shares – which may concern only part of the shares held by the holder – issued by the intermediary with whom the shares are deposited in accordance with current legislation. The surcharge may be requested even for only part of the shares held by the holder. In the case of parties other than natural persons, the application shall specify whether the party is subject to direct or indirect control by third parties and the identification data of any parent company.
	8. The Special List is updated by the Company by the third trading day after the end of each calendar month and, in any case, by the so-called record date provided for by the regulations in force in relation to the right to attend and vote at the Shareholders' Meeting.

CURRENT WORDING	PROPOSED WORDING
	<p>9. The Company shall proceed with the cancellation from the Special List in the following cases:</p> <ul style="list-style-type: none"> <li>(i) renunciation of the interested party;</li> <li>(ii) communication from the interested party or intermediary proving that the conditions for the increase in voting rights or the loss of the ownership of the legitimating right in rem and/or the relative voting right no longer apply;</li> <li>(iii) ex officio, if the Company has notice of the occurrence of facts that result in the loss of the conditions for the increase in voting rights or the loss of ownership of the legitimating right in rem and/or the relative voting rights.</li> </ul>
	<p>10. The increase in voting rights shall cease to apply:</p> <ul style="list-style-type: none"> <li>(a) in the case of transfer for consideration or free of charge of the share, it being understood that "transfer" also means the creation of a pledge, usufruct or other lien on the share when this results in the loss of voting rights by the shareholder. In the event of transfer for consideration or free of charge of only part of the increased voting shares, the transferor retains the increased voting rights on shares other than those transferred;</li> <li>b) in the event of direct or indirect transfer of controlling interests in companies or entities holding shares with increased voting rights in excess of the threshold provided for in Article 120, paragraph 2, of Legislative Decree no. 58/1998.</li> </ul>
	<p>11. The voting increment:</p> <ul style="list-style-type: none"> <li>a) is kept – in favour of the heir and/or legatee – in case of succession due to the death of the person registered in the Special List;</li> <li>b) shall be retained in the event of the pledge, usufruct or other lien on the shares, for as long as the voting right remains attributed to the person registered in the Special List constituting the pledge or granting the usufruct or other lien;</li> <li>(c) is retained – in favour of the company resulting from the merger or beneficiary of the division – in the event of a merger or division of the person registered in the Special List;</li> <li>d) shall be retained in the event of transfer of the shares free of charge to the heirs, under a family agreement, for the constitution and/or endowment of a trust, asset fund or foundation of which the transferor registered in the List or his heirs are beneficiaries;</li> <li>e) is retained in the event of a transfer of shares from one portfolio to another of the UCITS (Undertakings for Collective Investment in Savings) managed by the same person;</li> <li>f) is retained in the event of a change in the trustee or trust company, where the legitimate right is held through a trust or trust company and the beneficiaries or trustees do not change;</li> <li>g) is extended proportionally to newly issued shares in the event of a capital increase pursuant to Article 2442 of the Italian Civil Code and of a capital increase through new contributions made in the exercise of pre-emptive rights;</li> <li>h) may also apply to shares assigned in exchange for those to which the increased voting right is attributed, in the event of a merger or demerger, if this is provided for in the relevant plan.</li> </ul>

CURRENT WORDING	PROPOSED WORDING
	12. In the cases referred to in points (g) and (h) of paragraph 11 above, the new shares shall acquire the additional voting rights: (i) for newly issued shares or shares assigned in exchange to the holder in relation to shares for which the increase in voting rights has already accrued, from the time of registration in the Special List, without the need for a further period of continuous ownership; (ii) for newly issued shares or shares assigned in exchange to the holder in relation to shares for which the increase in voting rights has not yet matured (but which are in the process of maturing), once the period of membership calculated from the original registration in the Special List has elapsed and the additional requirements provided for in paragraph 5 above have been fulfilled.
	13. The right of the person who has the increased voting right to renounce irrevocably (in whole or in part) the increase in voting rights at any time is still recognised, by means of a written communication to be sent to the Company, it being understood that the increase in voting rights may be regained with respect to the shares for which it has been renounced with a new entry in the Special List and the full period of continuous membership of not less than 24 months.
	14. <b>The increase in voting rights is also taken into account for the determination of the quorums for incorporation and resolutions that make reference to rates of share capital, but has no effect on the rights, other than voting rights, due by virtue of the possession of certain rates of share capital.</b>
	15. For the purposes of this Article, the concept of control is that laid down in the regulatory framework for listed issuers.

### RECURRENCE OF THE RIGHT OF WITHDRAWAL

Pursuant to Article 127-*quinquies*, paragraph 6, of the CFA, the resolution to amend the Bylaws that establishes the increase in voting rights does not grant the right of withdrawal under Article 2437 of the Italian Civil Code.

### DECISION-MAKING PROCESS FOLLOWED IN FORMULATING PROPOSALS FOR AMENDMENTS TO THE BY-LAWS

The proposal for amendments to the Articles of Association referred to in this Report is the result of the initiative of Shareholder San Quirico S.p.A. who, in a letter dated 28 February 2020, formally requested the Company's Board of Directors to convene an Extraordinary Shareholders' Meeting pursuant to Article 2367 of the Italian Civil Code to submit a proposal to amend the Articles of Association to introduce a mechanism to increase voting rights for its long-term shareholders.

The reasons for the proposal to amend Article 10 of the Company's Articles of Association have been expressed in the preceding paragraphs of this Report.

## PROPOSAL FOR RESOLUTION

In light of the above, the Shareholder San Quirico submits for your approval the following proposal for resolution:

### Article 10 of the Articles of Association

*"The Extraordinary Shareholders' Meeting of ERG S.p.A., having examined the report of the shareholder San Quirico S.p.A. and the proposal made therein:*

#### **RESOLVES**

I. *to amend Article 10 of the Articles of Association as follows:*

##### Article 10

1. *Each share entitles the holder to one vote, subject however to the provisions of the following paragraphs of this Article 10.*
2. *Holders of voting rights may be represented in writing at the Shareholders' Meeting by proxy within the limits and in the manner provided for by current laws and regulations. The electronic notification of the proxy may be made by certified electronic mail in the manner indicated in the notice of call or using a different instrument indicated in the notice.*
3. *The shareholders' meeting may be attended, in compliance with the laws and regulations, by holders of voting rights who have obtained appropriate certification issued in accordance with the regulations in force by the intermediary and communicated to the company in the manner and within the deadline established by the laws and regulations in force.*
4. *Where the existence of bearer shares is permitted, the holder of such shares shall have the right to attend the Shareholders' Meeting provided that he has deposited them within the term and in the place determined in accordance with the laws and regulations in force.*
5. *Notwithstanding the provisions of paragraph 1., first sentence, of this article, each share gives the right to double voting (and therefore two votes for each share) if both of the following conditions are met: (a) the share has belonged to the same person, by virtue of a right in rem entitling him to vote (full ownership with voting rights or bare ownership with voting rights or usufruct with voting rights) for a continuous period of at least twenty-four months; (b) the recurrence of the condition under (a) is attested by continuous registration, for a period of at least twenty-four months, in the special list established for this purpose governed by this article (the "Special List") as well as by a specific communication proving the ownership of the shares referring to the date of expiry of the continuous period issued by the intermediary with which the shares are deposited in accordance with the regulations in force.*
6. *The acquisition of the increase in voting rights will be effective the first time between: (i) the third open market day of the calendar month following that in which the conditions required by the Articles of Association for the increase in voting rights*

*occurred; or (ii) the so-called record date of any Shareholders' Meeting, determined in accordance with current regulations, following the date in which the conditions required by the Articles of Association for the increase in voting rights occurred.*

7. *The Company shall establish and maintain at the registered office, in the forms and contents provided for by applicable regulations, the Special List, to which shareholders wishing to benefit from the increase in voting rights must register. In order to obtain registration in the Special List, the person legitimated under this article must submit an appropriate application, attaching a communication certifying the ownership of the shares – which may concern only part of the shares held by the holder – issued by the intermediary with whom the shares are deposited in accordance with current legislation. The surcharge may be requested even for only part of the shares held by the holder. In the case of parties other than natural persons, the application must specify whether the party is subject to direct or indirect control by third parties and the identification data of any parent company.*
8. *The Special List is updated by the Company by the third trading day after the end of each calendar month and, in any case, by the so-called record date provided for by the regulations in force in relation to the right to attend and vote at the Shareholders' Meeting.*
9. *The Company shall proceed with the cancellation from the Special List in the following cases:*
  - (i) withdrawal of the interested party;*
  - (ii) communication from the interested party or intermediary proving that the conditions for the increase in voting rights or the loss of ownership of the legitimating right in rem and/or the relative voting right no longer exist;*
  - (iii) ex officio, if the Company has notice of the occurrence of facts that result in the loss of the conditions for the increase in voting rights or the loss of the ownership of the legitimating right in rem and/or the relative voting rights.*
10. *The increase in voting rights shall cease to apply:*
  - (a) in the case of transfer for consideration or free of charge of the share, it being understood that "transfer" also means the creation of a pledge, usufruct or other lien on the share when this results in the loss of voting rights by the shareholder. In the event of transfer for consideration or free of charge of only part of the increased voting shares, the transferor retains the increased voting rights on shares other than those transferred;*
  - b) in the event of direct or indirect transfer of controlling interests in companies or entities holding shares with increased voting rights in excess of the threshold provided for in Article 120, paragraph 2, of Legislative Decree no. 58/1998.*
11. *The increase in voting rights:*
  - a) is kept – in favour of the heir and/or legatee – in the event of succession due to the death of the person registered in the Special List;*

- b) is kept in case of pledge, usufruct or other lien on the shares, as long as the voting right remains attributed to the person registered in the Special List constituting the pledge or granting the usufruct or other lien;*
  - c) is retained – in favour of the company resulting from the merger or beneficiary of the division – in the event of merger or division of the person registered in the Special List;*
  - d) is kept in case of transfer of the shares free of charge in favour of heirs, under a family agreement, for the constitution and/or endowment of a trust, asset fund or foundation of which the transferor registered in the List or his heirs are beneficiaries;*
  - e) is retained in the event of a transfer of shares from one portfolio to another of the UCITS (Undertakings for Collective Investment in Savings) managed by the same person;*
  - f) is retained in the event of a change in the trustee or trust company, where the legitimate right is held through a trust or trust company and the beneficiaries or trustees do not change;*
  - g) is extended proportionally to newly issued shares in the event of a capital increase pursuant to Article 2442 of the Italian Civil Code and of a capital increase through new contributions made in the exercise of pre-emptive rights;*
  - h) may also apply to shares assigned in exchange for those to which the increased voting right is attributed, in the event of a merger or demerger, if this is provided for in the relevant plan.*
- 12. In the cases referred to in letters (g) and (h) of paragraph 11 above, the new shares shall acquire the increased voting rights: (i) for newly issued shares or shares assigned in exchange to the holder in relation to shares for which the increase in voting rights has already accrued, from the time of registration in the Special List, without the need for a further period of continuous ownership; (ii) for newly issued shares or shares assigned in exchange to the holder in relation to shares for which the increase in voting rights has not yet matured (but which are in the process of maturing), once the period of membership calculated from the original registration in the Special List has elapsed and the additional requirements provided for in paragraph 5 above have been fulfilled.*
- 13. The right of the person who has the increased voting right to renounce at any time irrevocably (in whole or in part) the increase in voting rights is still recognised, by means of a written communication to be sent to the Company, it being understood that the increase in voting rights may be regained with respect to the shares for which it has been renounced with a new entry in the Special List and the full period of continuous membership of not less than 24 months.*
- 14. The increase in voting rights is also taken into account for the determination of the quorums for incorporation and resolutions that make reference to share capital*

*rates, but has no effect on the rights, other than voting rights, due by virtue of the possession of certain share capital rates.*

- 15. For the purposes of this article, the concept of control is that provided by the regulations governing listed issuers.*
- II. to grant a mandate to the Board of Directors, with the power to sub-delegate, for the establishment of the special list referred to in Article 143-quater of the Issuers' Regulations, as well as for the possible adoption of a regulation for its management, which regulates – among other things – the procedures for its registration, maintenance and updating in compliance with the applicable rules and regulations and in any case such as to ensure the timely exchange of information between shareholders, issuer and intermediary and for the appointment of the person in charge of maintaining the said special list;*
- III. to grant the Board of Directors, with the power of sub-delegation, all the widest powers necessary or appropriate to implement the above resolutions, as well as to carry out all acts and negotiations necessary or appropriate for this purpose, including, by way of example, those related thereto:*
- the management of relations with any competent body and/or authority;*
  - obtaining legal approval for the above resolutions, with the right to introduce any amendments that may be required by the competent Authorities and/or the Companies' Register when registering them".*

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28 February 2020

San Quirico S.p.A.  
**General Manager**  
**Francesco Caldarulo**

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

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