ERG S.p.A.
Ordinary Shareholders' Meeting on 23/24 April 2013

Remuneration Report

Pursuant to Article 123-ter of Legislative Decree no. 58 dated 24 February 1998

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SECTION I

The path

In accordance with the Corporate Governance Code promoted by Borsa Italiana S.p.A.[1], the Board of Directors of ERG S.p.A. (hereinafter the "Company"), with resolution dated 20 December 2011, on a proposal by the Nominations and Remuneration Committee (hereinafter "NRC")[2], adopted a Policy for the remuneration of Board members and Executives with strategic responsibilities (hereinafter the "Policy")[3], to be effective starting from FY2012, subject to revision on 18 December 2012 in order to take account of the powers assigned by the new ERG S.p.A. Board of Directors – appointed by the Shareholders' Meeting on 20 April 2012 – and the adoption of the medium/long-term incentive scheme (hereinafter "LTI[4] Scheme"), variations to which will be adequately highlighted in the relevant sections of this report. For the revision of the Policy and preparation of the LTI Scheme, the Company used the services of consulting firm The European House – Ambrosetti.

As more clearly explained below, in keeping with relevant Italian legislation and the recommendations of the Corporate Governance Code, the decisions behind the Policy's implementation fall within the competence of various parties:

a) the Shareholders' Meeting insofar as concerns the Directors' fees;
b) the Board of Directors, following a proposal by the NRC and having consulted the Board of Statutory Auditors, as regards the remuneration of Executive Directors or Directors holding specific offices. In particular, the NRC periodically assesses the adequacy, overall consistency and effective application of the Policy insofar as concerns the remuneration of Directors; it submits proposals or expresses opinions to the Board of Directors concerning the remuneration of Executive Directors and the setting of performance objectives related to the variable salary component; it monitors the implementation of decisions taken by the Board of Directors, verifying that performance objectives are effectively achieved;

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1 On 30 July 2012, the Board of Directors resolved to adhere to the new version of the Corporate Governance Code published in December 2011.

2 Further information regarding bodies and persons involved in the preparation and approval of the Policy and the NRC's composition, competences and working procedures is set out in the Report on Governance and Ownership drawn up pursuant to Article 123-bis of the Consolidated Finance Act (TUF).

3 It should be noted that the Policy's structure was independently defined by ERG, without using as reference remuneration policies pertaining to other companies. For its revision of the Policy, the Company used as reference the remuneration policies of the main FTSE Mib index companies (since these were considered most representative of Italian best practices) as well as a peer group of parties (comparable to ERG based on their size and sector) proposed by consulting firm The European House – Ambrosetti. Insofar as concerns the fixing of related remunerations, reference is made to the indications set out below.

4 Long-term incentive.

c) the Executive Deputy Chairman and the Chief Executive Officer, with the support of the Organisation and Systems Department, as regards the remuneration of Executives with strategic responsibilities. In this connection, the NRC periodically assesses the overall consistency and effective application of the Policy for the remuneration of Executives with strategic responsibilities, using the information provided by the Executive Deputy Chairman and the Chief Executive Officer and periodically reporting to the Board of Directors.

Responsibility for the Policy's correct application is allocated in keeping with the aforesaid distribution of tasks.

Moreover, we point out that the Procedure for transactions with Related Parties adopted by the Board of Directors with resolution dated 11 November 2010, having obtained the positive opinion of the Control and Risks Committee and after consulting the Board of Statutory Auditors – last updated on 6 August 2012 – (the "Procedure") provides for transactions concerning the allocation or increase of remunerations and economic benefits, in whatsoever form, in favour of a member of one of the Company's administrative or control bodies or one of its executives with strategic responsibilities or in any case one of the parties holding the offices specified in annex 1 to the Procedure to be excluded from the sphere of application thereof wherever the following conditions exist, namely (i) the Company has adopted a remuneration policy; (ii) the Nominations and Remuneration Committee has been involved in the definition of the remuneration policy; (iii) a report explaining the remuneration policy has been subjected to an advisory vote on the part of the Shareholders' Meeting; (iv) the remuneration allocated is in keeping with the said policy – without prejudice to the disclosure obligations referred to in Article 154-*ter* of the Consolidated Finance Act (*T.U.F.*)[5]. Consequently, in case the Board of Directors should exceptionally consider it necessary to deviate from the Policy previously approved and subjected to the vote of the Shareholders' Meeting, the related resolutions, if any, are entirely subjected to the Procedure and disclosed to the market, in accordance with legislation and the said Procedure.

The NRC – which comprises 3 independent board members[6] – has been actively involved in the process of elaboration and subsequent adoption of the short-term incentive scheme – the so-called MBO[7] Scheme (hereinafter "MBO Scheme") and the LTI Scheme.

5 Insofar as concerns the conditions as per points (i) and (ii) reference is made to the indication given in the first paragraph of Section I. As regards the condition as per point (iii) we mention that the Shareholders' Meeting held on 20 April 2012 passed a resolution in favour of the the first section of the Remuneration Report prepared pursuant to Article 123-ter of the T.U.F..

6 Qualified as independent pursuant to both the related provisions set forth by the T.U.F. and those set forth by the Corporate Governance Code.

7 Management by objectives.

The MBO Scheme and the LTI Scheme form an integral and essential part of the Policy[8].

The Policy sets general guidelines for determining the remunerations of Board of Directors members and Executives with strategic responsibilities, in the normal course of their business, with a view to attracting, retaining and motivating highly qualified managers and aligning their interests to the pursuance of the priority objective of creating value for Shareholders over a medium/long-term horizon.

In the business plan, the Company defines its policy for managing the risk associated with the objectives given, the achievement of which is linked to the part of incentive comprising the LTI Scheme, an integral and essential part of the Policy.

The Policy is structured differently according to whether the remuneration in question is intended for Board Members or Executives with strategic responsibilities.

BOARD OF DIRECTORS

Fees

All Directors are paid a fixed annual fee, as resolved by the Shareholders' Meeting, and non-monetary benefits may be assigned in their favour, as more clearly explained below.

Directors called upon to sit on the NRC or the Control and Risks Committee (hereinafter "CRC") receive an additional set fee again resolved by the Shareholders' Meeting, in proportion to the commitment required of each of them in their respective offices.

Remuneration

Fixed component

For Executive Directors or Directors appointed to specific offices and Directors called upon to sit on the Strategic Committee who do not hold offices within the Board of Directors[9] the fixed annual fee resolved by the Shareholders' Meeting is supplemented with a fixed annual remuneration established by the Board of

8 The Policy is available in the Governance section of the website www.erg.it to which reference is made for all further information.

9 The Company decided to remunerate Directors called upon to sit on the Strategic Committee, who do not hold offices within the Board of Directors, precisely in view of the commitment implied by such assignment (see press release dated 11 May 2012, available on the Company's website www.erg.it in the section "media/press releases"). This provision, which was not expressly contemplated by the remuneration policy adopted on 20 December 2011, was included in the Policy following its general revision as approved on 18 December 2012.

Directors based on a proposal from the NRC, after consulting the Board of Statutory Auditors. The amount of the remuneration, in proportion to the to the commitment required of each of them for their respective assignments, is defined (based on the opinion of specialised firms, such as Taxis) through market benchmarking with listed companies. The comparison is made considering, within the ambit of the reference stock market, firms that are similar in terms of their type, size and complexity and by comparing individual roles.
The Board of Directors may, in the interest of the Company, provide for the fixed component to be established still using the same criteria but on a three-year basis.

Variable component
For the Chief Executive Officer, a significant variable monetary component is envisaged, linked to the creation of value over the medium/long term, determined according to the rules provided within the LTI Scheme. This variable component is established by the Board of Directors based on a proposal from the NRC, after consulting the Board of Statutory Auditors.

Within the scope of the Policy revision process, the Company decided not to include among the beneficiaries of the LTI Scheme the Chairman and Executive Deputy Chairman – even though they hold management powers – considering that the interests of same were already intrinsically aligned to the pursuance of the priority objective of value creation for all Shareholders.

LTI Scheme – Medium/long-term incentives
The aim of this scheme is to promote maximum alignment of management and Shareholder objectives. For such purpose, the variable component of remuneration is linked to the improvement in value-creation performance, over a three-year time span, expressed via the ERG Group EVA (E*conomic Value Added*)[10]. The EVA represents the "residual" monetary value after all production factors have been remunerated, including the cost of capital employed. Thus by expressing income net of the cost of capital, the EVA considers the equity and financial components alongside the income component. Upon achieving the performance improvement objective values (in terms of EVA) contained in the Group's Three-year Plan a bonus is paid. The target value of such bonus is determined taking account of external salary benchmarks (relating to the long-term variable component of the salary) and the forecast value creation. The bonus actually paid may increase according to the level of achievement of the objective from a minimum of 50% (threshold performance) to a maximum of 130% (outstanding performance) with respect to the target value; for intermediate performances the bonus varies on a straight line

10 The Policy adopted on 20 December 2011 provided for the variable component of remuneration to be linked to the forecast value creation, over a three-year time span, expressed via the ERG Group EP (Economic Profit) indicator. In the case of a negative or zero group EP, the bonus would be equal to zero. The LTI Scheme provided for a bonus payment mechanism that was deferred and conditional over time, using an account (bonus Bank) which each year would withhold a significant portion of the bonus accrued.

basis. In case of failure to achieve the threshold performance the bonus will be equal to zero; in the event that outstanding performance is exceeded, the bonus will correspond to 130% of the target value (cap). The bonus accrued is fully paid at the end of the Three-year Plan.

The weight of remuneration

The weight of the fixed component of the Chief Executive Officer's remuneration, on an annual basis, is indicatively equal to 61% of his overall remuneration. The medium/long-term variable component (LTI) of the Chief Executive Officer's remuneration, on a three-year basis, considering its annualised amount, has a weight of around 39%[11] with respect to his overall remuneration.

Extraordinary bonuses

In the case of extraordinary transactions successfully completed, lump sum bonuses may be paid to the Executive Directors involved in the transaction. The size of these bonuses depends on the economic benefit arising from the transaction in question and the salary level of the individual Director.

Non-monetary benefits

All members of the Board of Directors are entitled to receive certain non-monetary benefits (health and life insurance policies) the amount of which is deducted from the annual remuneration approved by the Shareholders' Meeting. As regards the Executive Directors or Directors appointed to specific offices, other benefits may be provided, such as a car and living accommodation, which are not deducted from the fixed component.

11 This refers to the target value of the bonus.

EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

Remuneration

The remuneration package pertaining to the Executives with strategic responsibilities is defined by the Chief Executive Officer, in accordance with the Policy defined by the Board of Directors. This package comprises a fixed component and a variable component, the latter in turn being subdivided between short-term (MBO) and medium/long-term (LTI) incentives and non-monetary benefits as described below.

The Company considers that the balancing of the fixed and variable component is in keeping with its strategic objectives, which aim to maximise the results of each business and, therefore, of the Group overall. This balancing ensures a fixed component that is sufficient to remunerate Executives with strategic responsibilities in cases where the variable component is not paid owing to failure to achieve the objectives.

As regards the Internal Audit, Risk and Compliance Manager, the package is determined by the Board of Directors, based on a proposal from the Director responsible for the internal control and risk management system and having obtained the favourable opinion of the CRC.

Fixed component

The fixed remuneration of the Executives with strategic responsibilities is reviewed annually based on market salary surveys provided by specialised firms (such as Hay Group and Towers Watson). The comparison is made considering the reference market, the size and complexity of the business, the level of responsibility, experience and competence associated with the individual positions.

Variable component

The variable component of remuneration as regards the Executives with strategic responsibilities comprises short-term (MBO) and medium/long-term (LTI) incentives, as shown below.

The incentive mechanisms pertaining to the Internal Audit, Risk and Compliance Manager and the Manager Responsible for preparing the Company's financial reports are in keeping with the tasks assigned to them[12].

MBO Scheme – Short-term incentives

The MBO scheme is designed to encourage participants to achieve annual objectives. Each participant is assessed on a maximum of 4 objectives:

- 1 Group objective, which is the same for all scheme participants
- 3 individual objectives connected with the position held.

12 The objectives insofar as concerns the variable component assigned to the Internal Audit, Risk and Compliance Manager are not tied to economic performance indicators.

Associated with each objective is a weight and a relative share of the overall monetary incentive, the amount of which is determined via a comparison against the reference salary market.
The Group objective has a weight corresponding to 30% of the incentive amount and is measured using the indicator "Consolidated IAS result before tax at adjusted replacement cost". Individual objectives have a weight corresponding to 70% of the incentive amount and are measured according to economic/financial and/or project parameters.
In order to impartially assess the performance of participants, at the beginning of the year, for each objective, a forecast target value is identified as well as a minimum and maximum threshold within which the objective is considered achieved. The monetary incentive amount associated with each objective may vary between 80% and 120% for individual objectives and between 50% and 150% for the company objective.
In the event that the result associated with an objective is below the minimum threshold defined at the outset, the incentive amount relating to such objective will be zero; in cases where the result associated with an objective is above the maximum threshold defined at the outset, the incentive amount relating to such objective cannot in any case exceed the established cap.

LTI Scheme – Medium/long-term incentives

Also for Executives with strategic responsibilities, participation in the previously described LTI Scheme[13] is envisaged[14].

The weight of remuneration

The weight of the fixed component of remuneration for each Executive with strategic responsibilities, on an annual basis, corresponds on average to 53% of his overall remuneration. The yearly variable component (MBO) of the remuneration pertaining to each Executive with strategic responsibilities has an average weight corresponding to around 21%[15] of his overall remuneration. The medium/long-term variable component (LTI) of remuneration for each Executive with strategic responsibilities, on a three-year basis, considering the annualised amount of same, has a weight corresponding on average to around 26%[16] of his overall remuneration.

Extraordinary bonuses

In the case of extraordinary transactions successfully completed, lump sum bonuses may be paid to the managers who most contributed to the success of the

13 The Internal Audit, Risk and Compliance Manager does not participate in the LTI Scheme. His salary package is parameterised, inter alia, to the implementation of the three-year audit plan.

14 Within the scope of the Policy revision process, the Company decided to anchor the LTI Scheme exclusively to the Group results. According to the Policy adopted on 20 December 2011, for Executives with strategic responsibilities forming part of the Business Units, the value creation objective was represented 30% by Group EP (Economic Profit) and 70% by the Business Unit's EP, both as set forth in the Three-year Plan.

15 This refers to the target value of the bonus.

16 This refers to the target value of the bonus.

transaction. The size of these bonuses depends on the economic benefit arising from the transaction in question, the contribution effectively given by each individual manager and respective salary levels.

Non-monetary benefits

The Executives with strategic responsibilities are assigned some non-monetary benefits including, by way of example, insurance cover (health and life policies), pension benefits, car and living accommodation.

RESIGNATION FROM OFFICE OR TERMINATION OF THE EMPLOYMENT RELATIONSHIP

Insofar as concerns Executives with strategic responsibilities, whenever an employment relationship is terminated for justified motive or just cause, the terms and conditions of the national collective agreement for industrial managers of companies producing goods and services shall apply.

The Board of Directors may, in the interest of the Company, provide for Executive Directors to receive specific indemnities to be assigned in the case of early termination of office or non-renewal of same, or, in general, as an end-of-mandate gratuity; the related resolution on the part of the Board of Directors must be taken in keeping with the ERG Group's medium/long-term strategy, values and interests[17].

With regard to the indemnities that may be assigned to the Executive Directors in the event of early termination of office or non-renewal of same, as a rule and except in exceptional circumstances, the amounts to be paid for such purpose may not exceed to total amount of related fixed remuneration paid to the Directors under the relationship over a period of 24 months.

Insofar as concerns the indemnities that may be assigned to the Executive Directors as end-of-mandate gratuity, as a rule and except in exceptional circumstances, the amounts to be paid for such purpose may not exceed an amount corresponding to 40% of the related overall fixed remuneration paid to same during the mandate period.

INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS

It should be noted that the current Policy does not provide for incentive plans based on financial instruments.

17 Following the appointment of the new ERG S.p.A. Board of Directors – which took place on 20 April 2012 – the Company decided to include in the Policy the possibility to pay the aforesaid indemnities, not expressly contemplated by the Remuneration Policy adopted on 20 December 2011.

SECTION II

Part 1.1

In order to be able to provide an adequate representation of each of the items making up the remuneration – as set out in Part 1.2 of this Section – and their consistency with the Company's remuneration policy, it is necessary to bear in mind that the Policy adopted by the Board of Directors with resolution dated 20 December 2011, effective starting from FY2012, was revised on 18 December 2012 in order to take account of the powers assigned by the new ERG S.p.A. Board of Directors – appointed by the Shareholders' Meeting on 20 April 2012 – and the LTI Scheme adopted.

BOARD OF DIRECTORS

Remuneration

All Directors were paid the fixed annual remuneration, as approved by the Shareholders' Meeting on 20 April 2012[18].
Directors called upon to sit on the NRC or the CRC, were allocated an additional fixed remuneration also approved by the Shareholders' Meeting on 20 April 2012[19].

Remuneration

Fixed component

As regards Executive Directors or Directors appointed to specific offices and Directors called upon to sit on the Strategic Committee who do not hold positions within the Board of Directors, the fixed annual remuneration, as approved by the Shareholders' Meeting on 20 April 2012, was supplemented with a fixed annual remuneration determined by the Board of Directors on 10 May 2012 upon a proposal by the NRC, after consulting the Board of Statutory Auditors. The amount of the remuneration was measured in proportion to the commitment required of each of them for their respective aforesaid assignments, and was defined (based on the opinion of specialised firms) through market benchmarking with listed companies[20].

Variable component

For the Chief Executive Officer, the Board of Directors on 10 May 2012, on a proposal by the NRC, having consulted the Board of Statutory Auditors, established

18 In view of the fact that the Shareholders' Meeting on 20 April 2012 appointed the new Board of Directors, insofar as concerns the fixed annual remuneration received up to the month of April 2012, reference must be made to the Directors in office during the said period and to the resolution passed by the Shareholders' Meeting on 14 April 2011.

19 Regarding the remunerations received up to the month of April 2012 – it being understood that the Directors forming part of the NRC and the CRC were confirmed in their office by the new Board of Directors at the meeting held on 20 April 2012 – reference must be made to the resolution passed by the Shareholders' Meeting on 14 April 2011.

20 Regarding the fixed remunerations received up to April 2012, reference must be made to the Executive Directors in office during the said period and to the resolution passed by the Board of Directors on 12 May 2011 upon a proposal by the NRC (also bearing in the mind the Procedure for transactions with Related Parties – with special reference to what is provided therein under Article 4.1 in connection with the so-called "less significant" transactions), after consulting the Board of Statutory Auditors.

a significant variable monetary component linked to the creation of value in the medium/long term, determined according to the rules envisaged within the scope of the LTI Scheme.
The Chairman and Executive Deputy Chairman - although they hold management powers – do not participate in the LTI Scheme, since the interests of same are already considered to be intrinsically aligned to the pursuance of the priority objective of value creation for all Shareholders.

Extraordinary bonuses

In the case of extraordinary transactions successfully completed during the course of 2012, the Board of Directors, upon a proposal by the NRC[21] and after consulting the Board of Statutory Auditors, assigned bonuses to the Executive Directors who took part in the transactions. The size of the bonuses was determined in proportion to the economic benefit arising from the transaction in question, the contribution effectively given by each Director and respective salary levels.

Non-monetary benefits

For the Directors who chose to take advantage of the option to receive certain non-monetary benefits (such as health and life insurance policies), the amount of the benefits in question was deducted from the annual remuneration approved by the Shareholders' Meeting on 20 April 2012.
As regards the Executive Directors or Directors appointed to specific offices who made use of certain benefits such as a car and living accommodation, the amount of the benefits in question was not deducted from the fixed component.

EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

Fixed component

The fixed remuneration of Executives with strategic responsibilities was defined by the Chief Executive Officer, in compliance with the Policy, based on market salary surveys provided by specialised firms.
For the Internal Audit, Risk and Compliance Manager, the fixed (and the variable[22]) salary was determined by the Board of Directors Meeting on 10 May 2012, upon a proposal by the Director responsible for the internal control and risk management system and having obtained the favourable opinion of the CRC.

Variable component

The variable component of remuneration as regards the Executives with strategic responsibilities, comprising short-term incentives (MBO) and medium/long-term

21 Also considering the Procedure for transactions with Related Parties.

22 The objectives relating to the variable component assigned to the Internal Audit, Risk and Compliance Manager are not tied to economic performance indicators.

incentives (LTI)[23], was defined by the Chief Executive Officer in observance of the Policy.

Extraordinary bonuses

In the case of extraordinary transactions successfully completed during the course of 2012, the Chief Executive Officer, having consulted the NRC[24] and the Board of Statutory Auditors, assigned bonuses to the Executives with strategic responsibilities who most contributed to the success of the transaction. The size of these bonuses was determined in proportion to the economic benefit arising from the transaction in question, the contribution effectively given by each individual Executive and his salary level.

Non-monetary benefits

Executives with strategic responsibilities, during 2012, received certain non-monetary benefits including, by way of example, insurance cover (health and life policies), pension benefits, car and living accommodation.

RESIGNATION FROM OFFICE OR TERMINATION OF THE EMPLOYMENT RELATIONSHIP

In view of the early dissolution, during the course of 2012, of the employment relationship involving an Executive with strategic responsibilities, after obtaining the opinion of the NRC[25], the Director in question was paid an indemnity of Euro 2,737,000 determined taking into account, in particular (i) the terms and conditions of the national collective agreement for industrial managers of companies producing goods and services; (ii) the importance of the position held by same within the Group; (iii) the specific obligations undertaken by same with regard to confidentiality and non competition.

The Board of Directors Meeting on 10 May 2012, having obtained the opinion of the NRC[26] and after consulting the Board of Statutory Auditors, granted the Chief Executive Officer – who (on the same date) tendered his resignation as Corporate General Manager– entitlement to receive *(i)* an end-of-mandate payment accrued in keeping with the duration of his term of office based on an appropriation of Euro 420,000.00 per year as well as, *(ii)* an indemnity of Euro 2,200,000.00, payable in the case of resignation for just cause or revocation without just cause, as in certain cases of impossibility to perform, non-renewal or modification of mandate, also ascribable to changes in the ownership structure. Such indemnity will not be paid if the termination, revocation or non-renewal are due to just cause.

INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS

We report that, in keeping with the Policy, no incentive plans based on financial instruments were adopted.

23 The Internal Audit, Risk and Compliance Manager does not participate in the LTI Scheme. His salary package is parameterised, inter alia, to the implementation of the three-year audit plan.
24 Also taking account of the Procedure for transactions with Related Parties.
25 Also taking account of the Procedure for transactions with Related Parties.
26 Also taking account of the Procedure for transactions with Related Parties.

Part 1.2

The following tables set out details of the remuneration paid, for whatsoever reason and in any form, during the year in question, by the Company and by subsidiary and associated companies..

Table 1: Remuneration paid to members of the administrative body, the general managers and other executives with strategic responsibilities

(A) Full name	(B) Position	(C) Period during which the position was held	(D) Expiry of office	(1) Fixed remuneration	(2) Remuneration for participation in committees	(3) Non-equity variable compensation		(4) Non-monetary benefits	(5) Other remuneration	(6) Total	(7) Fair Value of equity compensation	(8) Indemnity on resignation from office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Edoardo Garrone	Chairman	01.01.2012 - 31.12.2012	30.04.2015									
(I) Remuneration in the company preparing the financial statements (ERG S.p.A.)				964,008.26	–	–	–	9,325.05	–	**973,333.31**	–	–
(II) Remuneration from subsidiaries and associated companies				–	–	–	–	–	–	–	–	–
(III) Total				964,008.26	–	–	–	9,325.05	–	**973,333.31**	–	–
Alessandro Garrone	Executive Deputy Chairman [1]	01.01.2012 - 31.12.2012	30.04.2015									
(I) Remuneration in the company preparing the financial statements (ERG S.p.A.)				897,679.14	–	600,000.00 [2]	–	14,594.21	–	**1,512,273.35**	–	–
(II) Remuneration from subsidiaries and associated companies				87,876.67 [3]	–	–	–	–	–	**87,876.67**	–	–
(III) Total				985,555.81	–	600,000.00	–	14,594.21	–	**1,600,150.02**	–	–
Giovanni Mondini	Deputy Chairman	01.01.2012 - 31.12.2012	30.04.2015									
(I) Remuneration in the company preparing the financial statements (ERG S.p.A.)				348,172.95	–	–	–	13,781.13	–	**361,954.08**	–	–
(II) Remuneration from subsidiaries and associated companies				–	–	–	–	–	–	–	–	–
(III) Total				348,172.95	–	–	–	13,781.13	–	**361,954.08**	–	–

Luca Bettonte	Chief Executive Officer [4]	20.04.2012 - 31.12.2012	30.04.2015										
(I) Remuneration in the company preparing the financial statements (ERG S.p.A.)				989,999.65	–	1,830,000.00 [5]	–	13,329.00	–	**2,833,329.55**	–	280,000.0	
(II) Remuneration from subsidiaries and associated companies				10,000.00 [6]	–	–	–	–	–	**10,000.00**	–	–	
(III) Total				999,999.65	–	1,830,000.00	–	13,329.90	–	**2,843,329.55**	–	–	
Massimo Belcredi	Director	01.01.2012 - 31.12.2012	30.04.2015										
(I) Remuneration in the company preparing the financial statements (ERG S.p.A.)				56,666.67	71,666.66 [7]	–	–	2,842.55	–	**131,175.88**	–	–	
(II) Remuneration from subsidiaries and associated companies				–	–	–	–	–	–	–	–	–	
(III) Totale				56,666.67	71,666.66	–	–	2,842.55	–	**131,175.88**	–	–	
Pasquale Cardarelli	Director	01.01.2012 - 31.12.2012	30.04.2015										
(I) Remuneration in the company preparing the financial statements (ERG S.p.A.)				56,666.67	28,333.33 [8]	–	–	–	–	**85,000.00**	–	–	
(II) Remuneration from subsidiaries and associated companies				–	–	–	–	–	–	–	–	–	
(III) Total				56,666.67	28,333.33	–	–	–	–	**85,000.00**	–	–	
Alessandro Careri [9]	Director	01.01.2012 - 31.12.2012	30.04.2015										
(I) Remuneration in the company preparing the financial statements (ERG S.p.A.)				56,666.67	66,666.67 [10]	–	–	–	–	**123,333.34**	–	–	
(II) Remuneration from subsidiaries and associated companies				–	–	–	–	–	–	**–**	–	–	
(III) Total				56,666.67	66,666.67	–	–	–	–	**123,333.34**	–	–	
Marco Costaguta	Director	20.04.2012 - 31.12.2012	30.04.2015										
(I) Remuneration in the company preparing the financial statements (ERG S.p.A.)				40,000.00	66,666.67 [11]	–	–	–	–	**106,666.67**	–	–	
(II) Remuneration from subsidiaries and associated companies				–	–	–	–	–	–	–	–	–	
(III) Total				40,000.00	66,666.67	–	–	–	–	**106,666.67**	–	–	
Aldo Garozzo	Director	01.01.2012 - 31.12.2012	20.04.2012										
(I) Remuneration in the company preparing the financial statements (ERG S.p.A.)				13,233.14	–	–	–	3,433.53	–	**16,666.67**	–	–	
(II) Remuneration from subsidiaries and associated companies				–	–	–	–	–	–	–	–	–	
(III) Total				13,233.14	–	–	–	3,433.53	–	**16,666.67**	–	–	

Giuseppe Gatti	Director	01.01.2012 - 06.03.2012	06.03.2012									
(I) Remuneration in the company preparing the financial statements (ERG S.p.A.)				18,279.57	–	–	–	651,48	–	**18,931.05**	–	–
(II) Remuneration from subsidiaries and associated companies				–	–	–	–	–	–	–	–	–
(III) Total				18,279,57	–	–	–	651,48	–	**18,931.05**	–	–
Antonio Guastoni	Director	01.01.2012 - 31.12.2012	30.04.2015									
(I) Remuneration in the company preparing the financial statements (ERG S.p.A.)				56,666.67	43,333.33 (12)	–	–	–	–	**100,000.00**	–	–
(II) Remuneration from subsidiaries and associated companies				–	–	–	–	–	–	–	–	–
(III) Total				56.,666.67	43,333.33	–	–	–	–	**100,000.00**	–	–
Paolo Francesco Lanzoni	Director	01.01.2012 - 31.12.2012	30.04.2015									
(I) Remuneration in the company preparing the financial statements (ERG S.p.A.)				51,190.19	96,666.66 (13)	–	–	5,476.48	–	**153,333.33**	–	–
(II) Remuneration from subsidiaries and associated companies				–	53,000.00 (14)	–	–	–	–	**53,000.00**	–	–
(III) Total				51,190.19	149,666.66	–	–	5,476.48	–	**206,333.33**	–	–
Graziella Merello	Director	01.01.2012 - 31.12.2012	30.04.2015									
(I) Remuneration in the company preparing the financial statements (ERG S.p.A.)				299,087.22	–	–	–	7,579.45	–	**306,666.67**	–	–
(II) Remuneration from subsidiaries and associated companies				–	–	–	–	–	–	**–**	–	–
(III) Total				299,087.22	–	–	–	7,579.45	–	**306,666.67**	–	–
Umberto Quadrino	Director	20.04.2012 - 31.12.2012	30.04.2015									
(I) Remuneration in the company preparing the financial statements (ERG S.p.A.)				40,000.00	–	–	–	–	–	**40,000.00**	–	–
(II) Remuneration from subsidiaries and associated companies				–	–	–	–	–	–	**–**	–	–
(III) Total				40,000.00	–	–	–	–	–	**40,000.00**	–	–
Mario Pacciani	Chairman of the Board of Statutory Auditors	01.01.2012 - 31.12.2012	30.04.2013									
(I) Remuneration in the company preparing the financial statements (ERG S.p.A.)				60,000.00	–	–	–	–	–	**60,000.00**	–	–
(II) Remuneration from subsidiaries and associated companies				48,000.000 (15)	–	–	–	–	–	**48,000.00**	–	–
(III) Total				108,000.00	–	–	–	–	–	**108,000.00**	–	–

Lelio Fornabaio	Standing Auditor	01.01.2012 - 31.12.2012	30.04.2013									
(I) Remuneration in the company preparing the financial statements (ERG S.p.A.)				40,000.00	–	–	–	–	–	**40,000.00**	–	–
(II) Remuneration from subsidiaries and associated companies				78,200.00 (16)	–	–	–	–	–	**78,200.00**	–	–
(III) Total				118,200.00	–	–	–	–	–	**118,200.00**	–	–
Paolo Fasce	Standing Auditor	01.01.2012 - 31.12.2012	30.04.2013									
(I) Remuneration in the company preparing the financial statements (ERG S.p.A.)				40,000.00	–	–	–	–	–	**40,000.00**	–	–
(II) Remuneration from subsidiaries and associated companies				15,700.00 (17)	–	–	–	–	–	**15,700.00**	–	–
(III) Total				55,700.00	–	–	–	–	–	**55,700.00**	–	–
Strategic Executives (18)	Directors of subsidiarie and division heads											
(I) Remuneration in the company preparing the financial statements (ERG S.p.A.)				959,494.72	–	1,055,168.00 (19)	–	35,042.65	–	**2,049,705.37**	–	2,737,000.00
(II) Remuneration from subsidiaries and associated companies				–	–	–	–	–	–	**–**	–	–
(III) Total				959,494.72	–	1,055,168.00	–	35,042.65	–	**2,049,705.37**	–	–

Notes Table 1

(1) Executive Deputy Chairman from 20 April 2012. Previously Chief Executive Officer
(2) Extraordinary bonus paid in FY2012 for extraordinary transactions
(3) Remuneration for the offices of Chairman at ERG Renew S.p.A. (Euro 76,666.67) and Director at I-Faber S.p.A.(Euro 11,210)
(4) Chief Executive Officer from 20 April 2012. Previously Corporate General Manager
(5) Includes extraordinary bonus of Euro 1,050,000.00 paid in FY2012 for extraordinary transactions
(6) Remuneration for the office of Director at ERG Renew S.p.A.
(7) Remuneration for the offices of Chairman of the Control and Risks Committee (Euro 43,333.33) and Member of the Nominations and Remuneration Committee (Euro 28,333.3)
(8) Remuneration for the office of Member of the Nominations and Remuneration Committee
(9) It should be mentioned that, during the course of FY2012, the company I.E.C. S.r.l., of which Alessandro Careri is Sole Director, was paid consulting fees amounting to Euro 347,000.
(10) Remuneration for the office of Member of the Strategic Committee
(11) Remuneration for the office of Member of the Strategic Committee
(12) Remuneration for the office of Member of the Control and Risks Committee
(13) Remuneration for the offices of Member of the Control and Risks Committee (Euro 43,333.33) Chairman of the Nominations and Remuneration Committee (Euro 28,333.33) and Chairman of the Supervisory Committee (Euro 25,000.00)
(14) Remuneration for the office of Chairman of the Supervisory Committee at ERG Nuove Centrali S.p.A., ISAB Energy S.r.l., ISAB Energy Services S.r.l., ERG Power S.r.l., ERG Oil Sicilia S.r.l., ERG Renew S.p.A.
(15) Remuneration for the office of Chairman of the Board of Statutory Auditors at TotalErg S.p.A. and Statutory Auditor at ISAB Energy S.r.l and Raffineria di Roma S.p.A.
(16) Remuneration for the offices of Chairman of the Board of Statutory Auditors at ERG Nuove Centrali S.p.A., ERG Renew S.p.A., ERG Power S.r.l. and ISAB S.r.l and Statutory Auditor at Ionio Gas in liquidazione S.r.l.
(17) Remuneration for the offices of Chairman of the Board of Statutory Auditors at I-Faber S.p.A. and Statutory Auditor at Ionio Gas in liquidazione S.r.l.
(18) Includes 7 (seven) Strategic Executives, 2 of whom left during the year.
(19) Includes extraordinary bonuses totalling Euro 350,000.00 paid in FY2012 for extraordinary transactions

Table 3B: Monetary incentive schemes in favour of members of the administrative body, the general managers and other executives with strategic responsibilities

A Full name	B Position	(1) Scheme	(2) Bonus for the year			(3) Bonus for previous years			(4) Other bonuses
			(A) Payable/ Paid (1)	(B) Deferred	(C) Deferred period	(A) No loger payable	(B) Payable/ Paid	(C) Still deferred	
(I) Remuneration in the company preparing the financial statements									
Alessandro Garrone	Executive Deputy Chairman		–	–	–	–	–	–	600,000.00 (3)
Luca Bettonte	Chief Executive Officer	Medium/long-term incentive scheme (BofD resolution dated 18/12/2012)	–	780,000.00	FY 2012-2014 (1)	–	–	–	1,050,000.00 (3)
Strategic Executives	Directors in subsidiaries and division heads	Medium/long-term incentive scheme (BofD resolution dated 18/12/2012)	–	283,333.33	FY 2012-2014 (1)	–	–	–	–
Strategic Executives	Directors in subsidiaries and division heads	Short term incentive scheme (BofD resolution dated 20/12/2011	421,934.67	–	FY 2012 (2)		–	–	350,000.00 (3)
(I) Total			**421,834.67**	**1,063,333.33**					**2,000,000.00**

(1) Deferred bonus payment of which will be made in May 2015 by ERG S.p.A.

(2) Bonus pertaining to 2012, payment of which will be made in May 2013 by ERG S.p.A.

(3) Extraordinary bonuses paid in FY2012 for extraordinary transactions

No remuneration is envisaged from subsidiaries and associated companies

Schedule 7-ter: Information regarding the Shareholdings of members of the management and control bodies, the general managers and other executives with strategic responsibilities

Full name	Position	Company	Number of shares held at the end of the previous year	Number of shares purchased	Number of shares sold	Number of shares held at the end of the current year
Alessandro Garrone [1]	Executive Deputy Chairman	ERG S.p.A.	2,000	–	–	2,000
Strategic Executives [1]		ERG S.p.A.	2,000	–	–	2,000

(1) Direct Shareholders - possession title: ownership

Genoa, 12 march 2013

ERG S.p.A.
The Executive Deputy Chairman
Edoardo Garrone

ERG S.p.A.

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ERG