

**ERG S.p.A.**

**Shareholders' Meeting of 15 April 2010**

**Agenda**

**Ordinary Part**

1. Separate Financial Statements for the period ended 31 December 2009 and Management Report: resolutions consequent thereto. Presentation of the Consolidated Financial Statements at 31 December 2009
2. Appointment of the Board of Statutory Auditors, appointment of the Chairman, fixing of fees
3. Appointment of a Board Member
4. Directors' fees for the 2010 financial year
5. Authorisation for the purchase and disposal of treasury shares.

**Extraordinary Part**

1. Merger by incorporation of ERG Raffinerie Mediterranee S.p.A. and ERG Power & Gas S.p.A. into ERG S.p.A.; resolutions related and consequent thereto.

**Report of the Board of Directors pursuant to Article 3 of Ministerial Decree no. 437 of 5/11/1998**

Dear Shareholders,

We submit for your attention the following considerations.

**Ordinary Part**

**Point 1.**

**Separate Financial Statements for the period ended 31 December 2009 and Management Report: resolutions consequent thereto. Presentation of the Consolidated Financial Statements at 31 December 2009**

Reference is made to the Management Report included in the documentation pertaining to the Separate Financial Statements at 31/12/2009 which will be made available to Shareholders and to the public within the terms provided by law.

Reference is also made to the Management Report included in the documentation pertaining to the Consolidated Financial Statements at 31/12/2009 which will be made available to Shareholders and to the public within the terms provided by law.

## **Point 2**

### **Appointment of the Board of Statutory Auditors, appointment of the Chairman, fixing of fees**

The need has arisen to renew the Board of Statutory Auditors, due to expiry of the mandate granted to same by the Ordinary Shareholders' Meeting on 24 April 2007.

The Shareholders' Meeting is also required to determine the remuneration to be allocated to the members of the Board of Statutory Auditors for the 2010 - 2012 financial years.

We set out below the provisions set forth by Article 22 of the Company's Articles of Association:

- "1. The Shareholders' Meeting shall elect a Board of Statutory Auditors comprising three standing and three alternate auditors and shall determine their remuneration.*
- 2. The Board of Statutory Auditors shall be appointed on the basis of lists presented by the shareholders on which one or more candidates must be indicated for the office of standing auditor and alternate auditor. The candidates, listed with a sequential number, must not exceed the number of statutory auditors to be elected.*
- 3. Lists may only be presented by shareholders who, at the time of presenting the list, are in possession of a shareholding equal to that required for the presentation of lists for election of the directors pursuant to Article 15 of the Articles of Association.*
- 4. No shareholder may present or vote for more than one list, even through an intermediary or nominee. Shareholders belonging to the same group, within the meaning set forth by applicable regulatory provisions, and Shareholders participating in a shareholder agreement concerning shares of the Company may not present or*

*vote for more than one list, even through an intermediary or nominee. Each candidate may be included in only one list, under penalty of ineligibility.*

- 5. Candidates who fail to meet the requisites of independence, professionalism and honourableness set forth by article 148, paragraph 3, of the Consolidated Law on Finance and those who hold the position of member of the control body in five other listed companies, subject in any case to the limitations placed on the plurality of administration and control positions laid down by applicable legislative and regulatory provisions, cannot be appointed as auditors.*
- 6. Outgoing auditors can be re-elected.*
- 7. The lists must be lodged at the Company's registered office at least 15 days prior to the date set for the meeting in first convocation. They shall be accompanied by information pertaining to the presenting Shareholders, and the declarations of same, as set forth by applicable regulatory provisions. The lists must also be accompanied by full information concerning the personal and professional characteristics of the candidates, the declarations whereby individual candidates accept their candidature and certify, under their own responsibility, the non-existence of motives for ineligibility, incompatibility or forfeiture, the administration and control positions held with other companies, as well as their possession of the requisites required by law.*
- 8. In the event that, by the last date for presentation of the aforementioned lists, only one list, or only lists presented by interrelated Shareholders, within the meaning set forth by applicable legislation, have been lodged, lists may be presented up until the fifth day following such date, subject to the provisions contained in the previous paragraph and applicable legislation with regard to lodging and disclosure. In such case, the thresholds indicated in paragraph 3 for the presentation of lists shall be reduced by half.*
- 9. Any list presented that fails to comply with the above requirements shall be deemed not to have been presented at all.*
- 10. In the event that, despite the procedure as per paragraph 8 having been duly carried out, no list is presented, a majority vote shall be taken. The Shareholders' Meeting shall appoint the Chairman.*

11. *If no second list is presented or voted, the entire Board of Auditors shall be made up of the candidates from the only list voted in order of appearance. The person heading the list shall be elected Chairman.*
12. *In cases where more than one list is presented, the following shall be elected: two standing and two alternate members shall be drawn from the list that has obtained the largest number of votes, based on their sequential order of listing; the third standing and the third alternate member shall be elected by selecting the candidates for the respective positions heading the list that has obtained the highest number of votes after the first, of those presented and voted for by minority Shareholders who are not even indirectly related to the Shareholders who presented or voted for the first list in terms of number of votes, in accordance with prevailing regulatory provisions. The standing member drawn from the minority list shall be appointed Chairman.*
13. *In the case of a parity between the lists, the candidate drawn from the list presented by Shareholders in possession of the largest quota of participation or, subordinately, the highest number of Shareholders, shall be elected.*
14. *If an elected candidate refuses to take office, the next candidate on the same list shall be elected.*
15. *If a standing auditor vacates his office, he shall be replaced by an alternate auditor belonging to the same list, in the order defined in paragraph 12 above.*
16. *The Shareholders' Meeting shall appoint the standing and/or alternate auditors required to reconstitute the Board in the following manner:*
  - a) *if the Board is to be reconstituted due to the replacement of auditors belonging to both the majority and the minority lists, voting shall take place by way of the same list-voting procedures as provided for the appointment of the Board;*
  - b) *if the Board is to be reconstituted due to the replacement of an auditor or auditors elected on the majority list, voting shall take place in the same manner as provided in paragraph 10 above;*
  - c) *if the Board is to be reconstituted due to the replacement of an auditor or auditors elected on the minority list, voting shall take place in the same manner as provided for the appointment of the Board, but*

*the majority Shareholders are unable to present their own list.*

- 17. In cases where it is not possible to reconstitute the Board by following the procedure set forth in paragraph 16 above, the Shareholders' Meeting may replace the Statutory Auditors who have vacated their office for whatsoever reason by selecting the new members from the persons belonging to the same list as the retiring Auditors, according to the sequential order, having first verified that same are still eligible and willing to accept the position, subject to the possibility, as regards the replacement of the minority auditor and in the absence of candidates as identified above, to appoint as replacement the first candidate on the minority list that came second in terms of number of votes.*
- 18. If the Shareholders' Meeting is called upon to fill a vacancy on the Board of Auditors and no list of candidates has been promptly and ritually presented, and it is not possible to carry out the replacement as per the preceding paragraph, proposals shall be presented by one or more Shareholders to the Shareholders' Meeting and the latter shall resolve according to the majorities provided by law and in observance of applicable legislation.*
- 19. Pursuant to article 1, 3rd paragraph, of Ministerial Decree no. 162 dated 30/3/2000, it is declared that (i) "juridical, economic, financial and technical-scientific material, closely related to the company's business" and (ii) "sectors closely related to that of the company's business", are intended as referring to the materials and sectors pertaining to at least one of the following objects: the study, regulation, research, production, trade and distribution of any energy source; the supply of industrial holding services and relevant regulations."*

### **Point 3.**

#### **Appointment of a Board Member**

On 15 December 2009, the Board of Directors' Meeting, following the resignation tendered by Riccardo Garrone from the office of Director – whilst remaining as Honorary Chairman – appointed as Director, in accordance with Article 2386, first paragraph of the Italian Civil Code, Luca Bettonte.

The Shareholders' Meeting is therefore called upon to adopt the resolutions

consequent thereto.

In compliance with the provisions set forth by Article 15 of the Articles of Association, the resolution shall be taken by majority vote.

The "*curriculum vitae*" of the candidate for the position of Board Member shall be lodged at the company's offices and published on the website [www.erg.it](http://www.erg.it) fifteen days prior to the Shareholders' Meeting.

**Point 4.**

**Directors' Fees for the 2010 financial year**

The Shareholders' Meeting is requested to resolve on the matter of the remuneration to be allocated to each member of the Board of Directors and to the board committee members, effective until the approval of the 2010 Financial Statements.

**Point 5.**

**Authorisation for the purchase and disposal of treasury shares**

The Company's Shareholders' Meeting, during the past few years, respectively on 29 September 1999, 27 April 2001, 13 February 2002, 29 April 2004, 28 April 2005, 28 April 2006, 27 April 2007 and 24 April 2009 adopted structured resolutions regarding the purchase and disposal of treasury shares, the last of which, concerning the purchase, had a validity of 12 months with effect from 24 April 2009 and is therefore due to expire on 23 April 2010.

In anticipation of the shareholders' meeting on 15 April next, the Board agreed that it was appropriate to propose for the Shareholders' Meeting to adopt a new resolution authorising the purchase and disposal of treasury shares.

This having been said, the Board of Directors explains the reasons justifying the adoption of a new authorisation resolution on the part of the Shareholders' Meeting:

**- regarding purchase**

- it is considered appropriate to be able to carry out purchase transactions on ERG's ordinary shares in order to optimise the equity structure with a view to maximising value creation;

**- regarding disposal**

- it is considered appropriate to have treasury shares available in portfolio in order to optimise financial leverage and anyhow in all other

circumstances where the possibility to dispose of shares appears, in the opinion of the administrative body, to be in keeping with the interests of the Company and the Shareholders.

This having been said, we submit for your approval our request for authorisation to both purchase and sell treasury shares subject to the following terms and conditions:

- 1) authorisation, for a period of 12 months with effect from the date of the relative resolution, in accordance with Article 2357 of the Italian Civil Code, 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 15,032,000 (fifteen million and thirty-two 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% 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 in compliance with Article 132 of Legislative Decree no. 58 of 24 February 1998 and in the manners set forth by Article 144-*bis*, paragraph 1.b) of the Issuers' Regulation and namely "on markets regulated according to the operating procedures established 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";

- 2) authorisation, for a period of 12 months with effect from the date of the relative resolution, in accordance with Article 2357-*ter* of the Italian Civil Code, to sell treasury shares, in one or more stages, 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 and in any case not below the unitary value per share included in the Company's shareholders' equity as from time to time appearing in the last approved financial statements.

As regards the procedures for disposal of treasury shares we propose that the authorisation permit the adoption of whatever procedures may seem appropriate in relation to the actual objectives to be pursued by way of such disposal.

Shareholders,

If our above proposal meets with your agreement, we invite you to kindly

adopt the following resolution:

“The ERG S.p.A. Ordinary Shareholders’ Meeting,

- having reviewed the Explanatory Report of the Board of Directors;
- having regard to the contents of the last approved financial statements,  
resolves

- 1) to authorise the Board of Directors, in accordance with Article 2357 of the Italian Civil Code and therefore for a period of 12 months with effect from the date of this resolution, 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 15,032,000 (fifteen million and thirty-two 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% 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. The purchase must be carried out using the distributable profits and available reserves as shown in the last approved financial statements, in accordance with Article 132 of Legislative Decree no. 58 of 24 February 1998 and in the manners set forth by Article 144-*bis*, paragraph 1.b) of the Issuers’ Regulation and namely “on markets regulated according to the operating procedures established 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”;
- 2) to authorise the Board of Directors, in accordance with Article 2357-*ter* of the Italian Civil Code, for a period of 12 months with effect from the date the relative resolution, to sell treasury shares, in one or more stages and adopting any procedure deemed appropriate in relation to the objective 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 and in any case not below the unitary value per share included in the Company’s shareholders’ equity as from time to time appearing in the last approved financial statements.
- 3) to authorise the Board of Directors to delegate, even to authorised intermediaries, the power to perform the operations relating to the purchase and sale of treasury shares to be carried out under this

resolution.

### **Extraordinary Part**

#### **Point 1.**

#### **Merger by incorporation of ERG Raffinerie Mediterranee S.p.A. and ERG Power & Gas S.p.A. into ERG S.p.A.; resolutions related and consequent thereto**

The Shareholders' Meeting is called upon to resolve on the matter of the proposed merger by incorporation of ERG Raffinerie Mediterranee S.p.A. and ERG Power & Gas S.p.A. into ERG S.p.A..

The operation responds to the ERG Group's need to modify its organisational structure following the announced joint venture with Total in the integrated downstream sector and the joint venture with Lukoil in the coastal refining sector – which took place in 2008 – and according to the orientation of the strategic investments planned by ERG Power S.r.l. and ISAB Energy S.r.l. during the first six months of 2010.

In addition to reducing the control chain, the new structure is also designed to optimise the decision-making processes and enhance operational efficiency, providing the Group with a new organisation in keeping with its portfolio of activities and suitably able to take advantage of the opportunities that will offer themselves following the anticipated global economic recovery.

Genoa, 4 March 2010

ERG S.p.A.

The Chairman of the Board of Directors

Edoardo Garrone