

**REGULATIONS OF THE APPOINTMENTS AND COMPENSATION COMMITTEE
OF ITALGAS S.P.A.**

These regulations (“**Regulations**”), approved by the Board of Directors on[•], govern the composition and appointment, method of operation, duties, powers and means of the Appointments and Compensation Committee (“**Committee**”), an internal committee of the Board of Directors of ITALGAS S.p.A. (“**Company**”).

The Committee was created by resolution of the Board of Directors pursuant to Article 13.9 of the Bylaws, in accordance with the recommendations of the Corporate Governance Code approved by the Corporate Governance Committee in the version applicable each time (“**Corporate Governance Code**”).

Article 1 – Composition and appointment

1.1. The Committee shall be composed of 3 (three), non-executive directors all independent, or alternatively the majority of whom are independent as defined in the Corporate Governance Code; in the latter case the Chairman is chosen from among the independent directors.

1.2. At least one Committee member has adequate knowledge and experience in finance or compensation policies, to be assessed by the Board of Directors at the moment of appointment.

1.3. The Board of Directors shall appoint and revoke the members and the Chairman of the Committee. The Committee elects the Chair from among its members, if the Board of Directors has not done so, in compliance with the requirements set out in article 1.1.

1.4 The Committee remains in office until the termination of the Board of Directors.

1.5 Should the office of one or more Committee members be vacated for any reason during the mandate, the Board of Directors shall see it is filled, appointing from among its members those who are in possession of the requirements laid down in article 1.1.

Article 2 – Operation

2.1. The Chair of the Committee programmes and coordinates the activities of the Committee, represents it, oversees it and manages its meetings, and informs the Board of Directors of the resolutions made at the first available meeting. If the Chair is absent or unable to attend, he/she shall be replaced by the oldest member of the Committee present who shall perform all his or her functions. According to the subjects dealt with each time, the head of the Legal, Corporate and Compliance Affairs department, or the head of Human Resources and Organization, shall act as Secretary of the Committee and assist the Chair in the execution of his or her functions.

2.2. The Chair of the Board of Statutory Auditors or a Standing Auditor designated thereby participates in the Committee meetings; moreover, at the invitation of the Chair of the Committee, meetings can also be attended by the Chair of the Board of Directors, the Chief Executive Officer, as well as other persons, in order to provide information and express their pertinent evaluations regarding single items on the agenda.

2.3. The Committee shall meet with the frequency needed to discharge its duties, on the dates specified in the annual meetings calendar approved by the Committee itself, and in any case where the meeting is necessary or opportune, having been called by the Chair of the Committee, even upon the request of one or more members.

2.4 The call notice, indicating the location (usually the company's registered office), date and time of the meeting, as well as the list of subjects to be discussed, shall be sent by the Secretary at the request of the Chair of the Committee, by uploading in the "Secure Area." If this is not possible, the notice shall be sent by email, as a rule at least five days before the date set for the meeting. In case of need and urgency, said notice may be sent at least 24 (twenty-four) hours before the date set for the meeting. A copy of the notice is sent to the Chair of the Board of Statutory Auditors, as well as to the other persons invited to the meeting.

Before its transmission, assisted by the Secretary of the Committee, the Secretary of the Board of Directors shall check that the matters to be dealt with relating to the meetings of the Board of Directors have been included in the agenda

2.5. The Board meeting may be held via conference call or video conference on condition that all participants are identified, and can follow the discussion and speak in real time on the matters discussed. The meeting is considered to be held in the place where the Chairman of the Committee is located.

2.6. Any documentation regarding the items on the agenda shall be made available to the members by the Secretary, in the “Secure Area” reserved to the Committee, and may be sent by electronic mail to the addresses indicated by the members of the Committee as well as in the other forms agreed at least 5 (five) days before the date of the meeting, apart from in exceptional cases. In addition to the legal obligations regarding sensitive information, the members of the Committee are required to maintain the confidentiality of the data and information they receive in the exercise of their duties.

2.7. Committee meetings are valid wherever at least the majority of acting members are present and decides by the absolute majority of those present. In case of deadlock the Chairman shall have the casting vote.

2.8. The Secretary shall draw up the minutes of the meetings. The draft minutes are submitted to the Chairman of the Committee and the other members for any observations, and the minutes are normally approved at the next meeting of the Committee.

The minutes are signed by the Chair of the meeting and by the Secretary and sent to the Committee members, the Chair of the Board of Statutory Auditors (or to the Statutory Auditors thereby designated) and, where present, the Chair of the Board of Directors and the Chief Executive Officer.

2.9. Members who have personal interests or on behalf of others with reference to the subject of the resolution shall make this known to the Committee, it being understood that no director shall take part in the discussions and resolutions of the Committee in which proposals are made by the Committee regarding his/her compensation.

Article 3 - Duties

3.1. In compliance with the Bylaws, the Committee offers advice and recommendations to the Board of Directors on matters of the compensation of the directors and executives with strategic responsibilities, as well as the appointment of directors.

Functions of the Committee concerning the appointment of directors

- a) it proposes to the Board of Directors candidates for the position of director, should the office of one or more directors be vacated during the year (Article 2386, paragraph 1 of the Italian Civil Code), ensuring compliance with the requirements for the minimum number of independent directors and for the quota reserved for the less represented gender;
- b) at the proposal of the Chief Executive Officer, in agreement with the Chair, it submits to the Board of Directors the candidates for the position of members of the corporate bodies of (i) direct subsidiary companies and (ii) indirect subsidiary companies included in the consolidation area, whose individual turnover is equal to or more than euro 30 million (“**Subsidiaries**”). The proposal formulated by the Committee is necessary;
- c) it prepares and proposes / formulates:
 - procedures for the annual self-assessment of the Board and its Committees;
 - opinions on the maximum number of offices as a director or statutory auditor held in other listed companies in regulated markets, even abroad, in financial, banking or insurance companies or in companies of significant size, which can be considered compatible with the effective performance of the office of director of the Company or of the Subsidiaries, also

- taking into account the participation of directors in the committees set up within the Board of Directors;
- criteria for assessing both the requirements of professionalism and independence of the Board members of the Company and its Subsidiaries;
 - opinions to support the evaluation by the Board of Directors of specific problematic situations in the presence of a general and prior authorisation of derogations from the competition prohibition contained in article 2390 of the Italian Civil Code;
 - for the Board of Directors, opinions on its size and composition and makes recommendations on the professional and managerial figures whose presence within the Board is deemed opportune;

Functions of the Committee regarding the compensation of the directors and executives with strategic responsibilities

- d) it submits the Compensation Report and, in particular, the compensation policy for Directors and executives with strategic responsibilities (“**Policy**”), to the Board of Directors, for its approval and presentation to the Shareholders’ meeting convened for the approval of the financial statements, under the terms provided for by law;
- e) it reviews the vote on the Compensation Report taken by the Shareholders’ Meeting in the previous financial year and expresses an opinion to the Board of Directors;
- f) it formulates proposals on the compensation of the Chairman and the Chief Executive Officer, with regard to the various forms of compensation and economic treatment;
- g) it makes proposals concerning the compensation of members of the Board Committees;
- h) it expresses opinions, also on the basis of the indications of the Chief Executive Officer, with regard to:
 - the general criteria for the compensation of Executives with strategic responsibilities;

- general guidelines for the compensation of other Executives of the Company and its Subsidiaries;
- annual and long-term incentive plans, including share-based plans;
- i) it expresses opinions, also on the basis of the Chief Executive Officer's proposals regarding the definition of performance targets, the final accounting of company results; proposes the definition of clawback clauses related to the implementation of incentive plans and the determination of the variable compensation of directors with powers;
- j) it proposes the definition, in relation to directors with powers, of: *i)* of the indemnification to be paid in the event of termination of their employment; *ii)* of the non-competition agreements;
- k) it monitors the application of decisions made by the Board; it periodically evaluates the adequacy, overall consistency and practical application of the policy adopted, in this latter regard making use of the information provided by the Chief Executive Officer, preparing proposals for the Board on this subject;
- l) it performs any duties that may be required by the procedure concerning related-party transactions carried out by the Company;
- m) it reports on the exercising of its functions to the Shareholders' Meeting convened to approve the separate financial statements for the year, through the Chairman of the Committee or another member appointed by the latter.

3.2. The Committee reports to the Board, at least once every six months, not later than the latest date for the approval of the annual and half-yearly report, at the meeting specified by the Chairman of the Board of Directors; in addition, subsequently to its own meeting the Committee updates the Board of Directors in a communication, at the first available meeting, on the topics discussed and the comments, recommendations and opinions formulated therein.

3.3 The Head of Human Resources and Organization takes part in Committee meetings relating to Article 3.1, letters a) and b).

The preparatory work relating to point 3.1 letter c) is dealt with by the head of the legal, corporate and compliance affairs department.

Article 4 - Powers and means

4.1. The Committee is entitled to access the information and company departments needed so as to perform its duties.

4.2. The Committee is endowed by the Board of Directors with the resources necessary for performing its duties; in particular it may, within the terms laid down, from time to time, by the Board of Directors, have recourse, through the company's structures, to external consultants who are not in situations such as might compromise their independence of judgement.