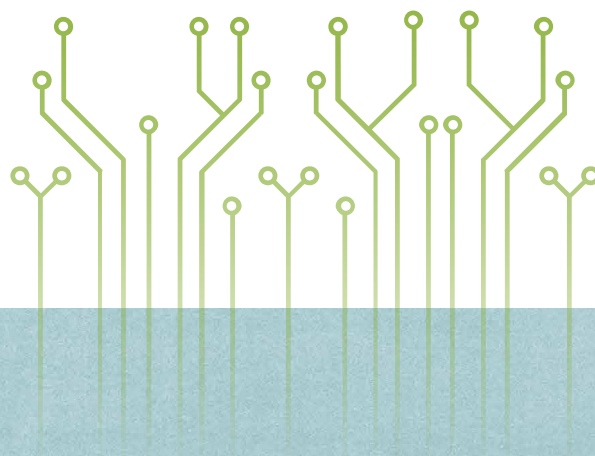
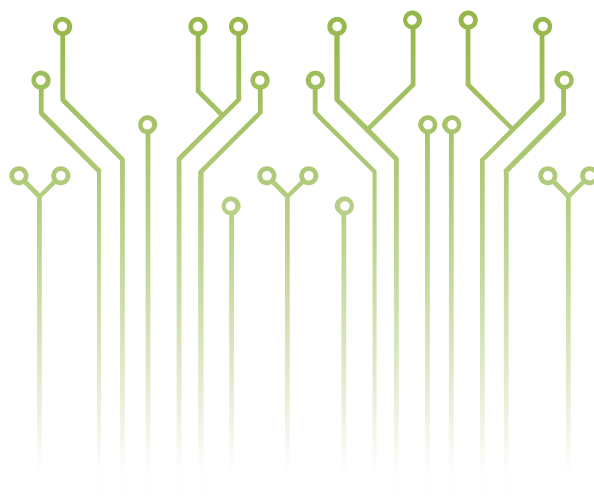


Information document - 2020 / 2022 Long-term monetary incentive plan





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Prepared pursuant to article 114-bis of Legislative Decree 58 of 24 February 1998 ("CLF")
and article 84-bis of the regulation adopted by Consob through resolution 11971 of 14 May 1999
as subsequently supplemented and amended ("Issuers' Regulations")

Introduction



This information document has been prepared by Italgas S.p.A., pursuant to Article 84-bis of the Issuers' Regulations and in line with the instructions contained in Annex 3A - schedule 7 with the objective of informing its shareholders and the market with regard to the proposed adoption of the 2020-2022 Long-Term Monetary Incentive Plan (the "LTMI Plan"), approved by the Italgas Board of Directors on 10 April 2020 and which will be submitted, pursuant to Article 114-bis of the CLF, for the approval of the Ordinary Shareholders' Meeting convened for 12 May 2020, in a single call.

The 2020-2022 LTMI Plan maintains unchanged the incentive structure of the previous 2017-2019 Plan, as approved by the Shareholders' Meeting of 28 April 2017, and is consistent with Italgas' Remuneration Policy, more fully illustrated in the document submitted for approval to the Shareholders' Meeting.

Particular attention was paid to the review of the performance indicators that will determine the incentives paid after the vesting period, in the belief that the LTMI Plan, like the other managerial incentive tools, must contribute to the sustainable medium to long-term success of the Company.

For this reason, in addition to the Net Profit and Total Shareholders Return indicators already used in the previous Plan, an entire section has been included on Sustainability

issues (reduction of emissions and inclusion in the most authoritative indices on the subject).

Furthermore, for all indicators, objectives will be set for the entire three-year vesting period, going further than the previous practice which provided for the definition of annual objectives and the calculation of the three-year average.

The Italgas Board of Directors has approved the adoption of the LTMI Plan, resolving, on the advice of the Appointments and Compensation Committee, to use the "Consolidated Net Profit", "Sustainability" and "Total Shareholder Return" parameters as performance indicators. The use of the last indicator determines the connection of the LTMI Plan with the performance of the stock and therefore, in light of the existing regulatory framework, requires the approval of the Shareholders' Meeting.

The LTMI Plan applies to Italgas and its Subsidiaries, and is considered of "particular importance" pursuant to Article 84-bis, subsection 2, of the Issuers' Regulations because it is also aimed at the parties identified by Article 114-bis of the CLF, the Italgas CEO and "Executives with Strategic Responsibilities".

This information document is available to the public at the registered office of Italgas, as well as in the Governance section of the company's website (www.italgas.it) as well as through the methods indicated by Article 84-bis of the Issuers' Regulations.



Definitions

Appointments and Compensation

Committee:

it is composed of two independent non-executive directors (one of whom is the Chairman) and one non-executive director and has consultative and advisory functions with regard to the Board of Directors on the subject of the remuneration of directors and executives with strategic responsibilities. Specifically, the Committee submits the annual remuneration report to the Board for approval and formulates proposals relating to the remuneration of directors with powers and members of Board Committees.

Beneficiaries:

The recipients of the LTMI Plan.

Consolidated net profit:

this is the net profit obtained by excluding special items relating to events or transactions: i) which are non-recurring events or transactions which do not occur frequently in the ordinary course of business; ii) are not representative of the normal course of business.

Consolidated Law on Finance (CLF):

the "Consolidated Law on financial intermediation" is Legislative Decree 58 of 24 February 1998 (as subsequently amended). The CLF introduced legislation on financial matters "for principles", which at primary regulatory level only dictates general guidelines, deferring the definition of detailed rules to the Supervision Authorities (e.g. CONSOB).

Executives with strategic responsibilities:

according to IAS 24, they are "persons who, directly or indirectly, have power over and responsibility for the planning, management and control of the entity's activities". The executives with strategic responsibilities of Italgas, other than the Directors and Statutory Auditors, are: General Manager of Finance and Services Head of Legal, Corporate Affairs and Compliance, Head of Commercial Development, Head of Human Resources & Organization, Head of External Relations and Communication, Head of Institutional Relations and Regulatory Affairs, Head of Procurement and Material Management, CEO Italgas Reti.

Incentive allocation:

this is the monetary amount allocated to beneficiaries which can effectively be delivered at the end of a pre-set period (vesting period) depending on pre-set performance and retention conditions.

Incentive delivery:

this is the monetary amount delivered to beneficiaries at the end of the pre-set period (vesting period) to an extent connected to the performance levels reached under the terms and conditions set out in the LTMI Plan.

Issuers' Regulations:

this is CONSOB Regulation 11971 of 14 May 1999 containing the rules for entities issuing financial instruments.

Peer Group:

this is the group of companies, used for the comparison with Italgas of company results in accordance with the performance parameters defined, composed of the following leading listed European companies in the utilities sector: Enagas, Red Eléctrica, Terna, Snam, A2A, Elia System Operator.

Regulation:

the document, approved annually by the Board of Directors, which governs the conditions of each annual allocation of the LTMI Plan.

Subsidiaries:

Italgas S.p.A. subsidiaries pursuant to Article 2359 of the Civil Code.

Target Level:

this is the standard achievement level of the target which gives the right to receive 100% of the incentive.

Threshold level:

this represents the minimum level to be reached below which the plan makes no provision for the assignment of any incentive.

Total Shareholder Return (TSR): indicates the overall yield of a share taking into consideration both the change in price and the distribution of dividends.

Vesting (vesting period):

period between the allocation and the completion of the ownership of the right to receive the reward.

1. Intended Recipients

1.1 The details of the names of the recipients who are members of the Board of Directors or the board of management of the issuer of financial instruments, the subsidiaries of the issuer and the companies directly or indirectly controlled

The LTMI Plan applies to the CEO of Italgas, who is currently Paolo Gallo. If there are parties among the beneficiaries pursuant to point 1.2 below for whom identification is required, pursuant to the regulatory provisions in force, also with regard to the office of any Director in Subsidiaries, the Company will provide the market with the relevant information, during the disclosures required by Article 84-bis, subsection five, of the Issuers' Regulations.

1.2 The categories of employees or contractors of the issuer of financial instruments and parent companies or subsidiaries of this issuer

The Senior Executives of Italgas and its Subsidiaries, (approximately 30 of them in total), who are: The CEOs of direct Subsidiaries; Italgas Executives with Strategic Responsibilities; Senior Executives from among those who hold positions with a great impact on the results of the company.

1.3 Details of the names of parties benefiting from the Plan belonging to the following groups:

a) *general managers of the issuer of financial instruments;*

The LTMI Plan applies to the General Manager of Finance and Services, who is currently Antonio Paccioretti.

b) *other executives with strategic responsibilities of the financial instrument issuer which is not of a "smaller size", pursuant to article 3, subsection 1, letter f), of Regulation no. 17221 of 12 March 2010, in the event that during the financial year they received overall remuneration (obtained by adding the monetary remuneration to the remuneration based on financial instruments) higher than the highest total remuneration among those attributed to the members of the board of directors, or of the management board, and to the general managers of the financial instrument issuer;*

Not applicable.

c) *natural persons controlling the issuer of shares, who are employees or who are contractors of the issuer of shares;*

Not applicable.

1.4 Description and numerical details, with a breakdown by category:

a) managers with strategic responsibilities other than those indicated in letter b) of paragraph 1.3;

There are eight executives with strategic responsibilities other than those stated in paragraph 1.3: the General Manager of Finance and Services, the Head of Legal, Corporate Affairs and Compliance; the Head of Human Resources & Organization, the Head of Commercial Development, the Head of External Relations and Communication, the Head of Institutional Relations and Regulatory Affairs, the Head of Procurement and Material Management, the CEO of Italgas Reti.

b) in the case of "smaller" companies, pursuant to Article 3, subsection 1, letter f) of Regulation 17221 of 12 March 2010, the aggregate details of all executives with strategic responsibilities of the issuer of financial instruments;

Not applicable.

c) any other categories of employees or contractors for which there is provision for different plan characteristics (for example, senior executives, middle managers, administrative staff, etc.);

Not applicable.

2. Reasons for the adoption of the plan

2.1 The targets that should be reached through the plans

The Plan was introduced as a tool for incentivising and retaining management that is critical to the company and it is aimed, in line with international best practices, at guaranteeing the following objectives:

- greater alignment of the interests of shareholders in the medium-/long-term through the use of the Total Shareholder Return;
- supporting the profitability of the company through the use of the consolidated net profit;
- contributing to the sustainable development of the Company by its inclusion, over the three-year period, in the main Sustainability indexes and by emission reduction (dispersions from plants).

For each annual allocation, the LTMI Plan includes a three-year vesting period, in line with international best practices.

2.2 Key variables, also in the form of performance indicators considered for the purpose of the allocation of plans based on financial instruments

The incentive levels are defined, as a percentage of fixed remuneration, in line with the following remuneration policy principles adopted by Italgas:

- management remuneration structure adequately balanced between: a fixed component consistent with regard to the powers and/or responsibilities assigned; a variable component defined within the maximum limits and aimed at tying in the remuneration with the performance effectively achieved;
- consistency between the overall remuneration and the applicable market references for similar offices or for positions of similar responsibility and complexity, under the scope of corporate panels comparable with Italgas;
- variable remuneration of managerial roles having greater influence over company results featuring a significant percentage of long-term incentive components, through adequate deferral over a time scale of at least three years, in line with the long-term nature of Italgas' business.

Refer to point 2.3 for the performance indicators.

2.3 Elements underlying the calculation of the extent of pay based on financial instruments, or the criteria for calculation

The extent of the monetary incentives allocated to the target of each beneficiary is differentiated in relation to the level of responsibility/critical nature of the role, ranging from a minimum of 20% to a maximum limit of 65.5% of the fixed remuneration.

The LTMI Plan performance conditions are connected to the following parameters:

- Adjusted net profit, with a weighting of 55%, calculated on a three-year basis, comparing the actual figures with the budget forecasts;
- TSR, with a weighting of 30%, calculated on a three-year basis, comparing the TSR value with reference to the position of Italgas compared to the defined panel of peers, in addition to the dividends recorded in the vesting period.
- Inclusion, over the three-year period, in the DJSI, FTSE4GOOD and CDP Climate Change sustainability indexes, with a weighting of 10%;
- Reduction of emissions, with a weighting of 5%, calculated for the first allocation as a percentage of plants (out of the total) that do not fall within the disincentive area according to the rules established by ARERA and for the two subsequent allocations, as a decrease in the quantity of gas emitted into the atmosphere by dispersions.

2.4 The underlying reasons for any decision to allocate pay plans based on financial instruments not issued by the issuer of financial instruments, such as financial instruments issued by subsidiaries or, parent companies or third-party companies in relation to the group; if the above-mentioned instruments are not traded on regulated markets, information on the criteria used for calculating the value that can be attributed to them;

Not applicable.

2.5 Evaluations regarding significant implications of a tax and accounting nature that have affected the definition of the plans;

The structure of the LTMI Plan has not been affected by the applicable tax regulations or by involvement of an accounting nature.

2.6 Possible support of the plan by the special fund for incentivising the participation of employees in companies, pursuant to article 4, subsection 112 of law 350 of 24 december 2003

Not applicable.

3. Approval process and time scale for the allocation of instruments

3.1 Scope of powers and functions delegated by the Shareholders' Meeting to the Board of Directors for the purpose of implementing the Plan;

On 10 April 2020, on the recommendation of the Appointments and Compensation Committee and with the CEO abstaining, the Italgas Board of Directors resolved to submit the LTMI Plan for the approval of the Shareholders' Meeting pursuant to Article 144-bis of the CLF.

Following the approval of the shareholders' meeting, the Board of Directors, exercising the powers that will be conferred upon it by the Shareholders' Meeting, will implement the Plan, also through delegated parties, resolving on:

- i) the annual allocation of the incentive to the CEO;
- ii) the approval of the Regulation of each annual allocation;
- iii) the establishment of criteria for the identification of the other Beneficiaries;
- iv) as well as any other terms and conditions for the implementation to the extent to which it does not conflict with what has been established by the Shareholders' Meeting.

3.2 Details of parties appointed for the administration of the Plan and their functions and responsibilities;

The administration of the LTMI Plan is entrusted to the competent functions of Italgas in the area of Human Resources & Organization.

3.3 Any existing procedures for reviewing the Plans also in relation to any changes in the underlying targets;

There are no procedures for the amendment of the LTMI Plan.

3.4 Description of the methods through which to determine the availability and allocation of the financial instruments on which the plans are based;

The LTMI Plan involves the provision of monetary incentives and does not include the allocation of financial instruments.

3.5 The role performed by each Director in determining the characteristics of the above-mentioned plans; any recurrence of situations of conflicts of interest pertaining to the directors involved;

In line with the recommendations of the Corporate Governance Code for listed companies, which Italgas adheres to, the conditions of the Plan have been defined at the proposal of the Appointments and Compensation Committee, entirely composed of non-executive directors, the majority of them independent, with the Chairman chosen from the independent directors. The proposal to submit the Plan to the Shareholders' Meeting, pursuant to Article 114-bis of the CLF, was therefore approved by the Board of Directors, with the CEO abstaining, following the favourable opinion of the Board of Statutory Auditors, pursuant to Article 2389, subsection 3 of the Italian Civil Code.

The LTMI Plan, in relation to its Beneficiaries, constitutes a related-parties transaction subject to the approval of the Shareholders' Meeting pursuant to Article 114-bis of the CLF, to which the specific procedures laid down by Consob resolution 17221 of 12.3.2010, later amended by resolution 17389 of 23 June 2010 ("Related-Parties Transactions Regulation"), do not apply.

3.6 For the purpose of the requirements of article 84-bis, subsection 1, the date of the decision taken by the competent body to submit the plans to the shareholders' meeting for approval and any proposal by the appointments and compensation committee;

On 10 April 2020, based on a proposal formulated by the Appointments and Compensation Committee on 17 February 2020, the Board of Directors resolved to submit the LTMI Plan at the Shareholders' Meeting.

3.7 For the purpose of the requirements of article 84-bis, subsection 5, letter a), the date of the decision taken by the competent body with regard to the allocation of the instruments and any proposal to the above-mentioned body formulated by the appointments and Compensation Committee;

Non applicabile.

3.8 The market price, recorded at the above-mentioned dates, for the financial instruments on which the plans are based, if traded on regulated markets;

Official price of the Italgas stock at 10 April 2020 (approval date by the Board of Directors for the submission of the proposed LTMI Plan to the Shareholders' Meeting): 4,7957 euros.

3.9 In the case of plans based on financial instruments traded on regulated markets, in the terms and conditions that the issuer takes into account, under the scope of the identification of the time scale for allocating the instruments for implementing the plans, the possible overlapping of the timing of:

- i) said allocation or any decisions taken in this regard by the Appointments and Compensation Committee, and*
- ii) the disclosure of any relevant information pursuant to Article 114, subsection 1; for example, if this information is:*
 - a. not already published and may positively influence market listings; or*
 - b. already published and may negatively influence stock market listings.*

Not applicable



4. Characteristics of the instruments allocated

4.1 The description of the forms in which pay plans based on financial instruments are structured;

The LTMI Plan involves three annual allocations in a monetary form which can be delivered after three years and to an extent connected to the performance conditions achieved in accordance with the pre-set criteria and parameters and other conditions laid down.

4.2 Details of the effective implementation period of the plan also with reference to any different cycles;

The LTMI Plan includes three annual allocations for the period 2020-2022. Each allocation will be subject to a three-year vesting period and, as a result, any delivery of the incentives will be between 2023 and 2025, as described in the table below.

Performance and vesting period

| | | | | | | |
|------------------------------|------|------|------|-------------------|-------------------|-------------------|
| incentive allocated for 2020 | 2020 | 2021 | 2022 | 2023 (payment) | | |
| incentive allocated for 2021 | | 2021 | 2022 | 2023 | 2024 (payment) | |
| incentive allocated for 2022 | | | 2022 | 2023 | 2024 | 2025 (payment) |

4.3 The termination of the Plan;

The LTMI Plan will end in 2025, when the vesting period of the last allocation in 2022 expires.

4.4 The maximum number of financial instruments, also in the form of options, allocated in every fiscal year with regard to parties identified by name or to the categories indicated;

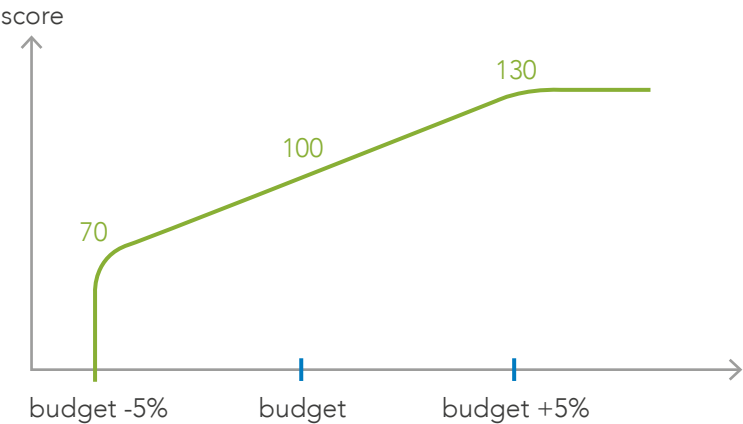
Not applicable.

4.5 The Plan implementation methods and clauses, specifying if the effective allocation of the instruments is subject to the satisfaction of the conditions or to the achievements of certain results, including performance results; description of these conditions and results;

The Plan performance conditions are verified on the completion of each three-year implementation period at the outcome of a process to verify the results actually achieved by the Appointments and Compensation Committee, supporting the resolutions taken in this regard by the Board of Directors.

The LTMI Plan performance conditions are connected to the following parameters:

- Consolidated net profit, with a weighting of 55%, calculated with reference to the three-year budget values and the Strategic Plan. The performance is evaluated using a linear scale¹ 70-130 (0 for values below the budget by -5%; 70 for values equal to the budget by -5%; 100 for values equal to the budget; 130 for values equal to or higher than the budget by +5%);



- TSR, with a weighting of 30 %, calculated on a linear scale 70-130 with reference to the position of Italgas in relation to a panel composed of Italgas itself plus six peer companies (Snam, Enagas, Italgas, Red Elèctrica, Terna, A2A, Elia System Operator).

| | |
|------------------|-----|
| 1st place | 130 |
| 2nd place | 120 |
| 3rd place | 110 |
| 4th place | 100 |
| 5th place | 0 |
| 6th place | 0 |
| 7th place | 0 |

Panel: Snam, Enagas, Italgas, Red Elèctrica, Terna, A2A, Elia System Operator

¹ For example, with a result equal to the budget +1%, the score will be 106

The TSR measures the overall return of a share taking into consideration the sum of the following 2 components:

1. price variation: equivalent to the ratio between the variation of the price of the stock (difference between the price recorded at the beginning and end of the reference period) and the price recorded at the start of the actual period. The initial price refers to the closing price of the stock in the year prior to the reference period, while the final price refers to the closing price of the reference year;
 2. distribution of dividends: in the version considered in this document (without the reinvestment of the dividends) this component is equal to the ratio between the sum of the dividends distributed per share in the period considered and the initial price of the stock.
- In terms of Sustainability, performance is assessed on the basis of two objectives:
 1. Inclusion, over the three-year period 2020-2022, in the DJSI, FTSE4GOOD and CDP Climate Change sustainability indexes. Performance is assessed according to a linear scale which awards: 130% if the result is 8 inclusions over the three-year period; 100% for 6 inclusions over the three-year period; 70% for 5 inclusions; 0% for less than 5 inclusions.
 2. Emission reduction, measured as the decrease in quantities of gas emitted into the atmosphere by dispersions²

At the end of each vesting period the final multiplier for the provision is calculated, to be applied to the incentive allocated for determining the incentive to deliver.

This incentive can be a percentage of between 0 and 130%.

Lastly, the Plan involves the adoption of clawback mechanisms through the following clause: "Without prejudice to the right to compensation for any further damage, within the legal statute-barred term, the Company can once again possess (with the consequent restitution obligation for the Participant), the sums provided if it is confirmed that the achievement of the targets is attributable to wilful misconduct or grossly negligent conduct or, in any event, is in violation of the regulations (corporate, legal, regulatory or from any other source), by the Participant, or where the above-mentioned targets have been achieved based on data which have been revealed to be manifestly incorrect".

4.6 Details of any availability restrictions on the instruments allocated or on the instruments deriving from the exercising of options, with special reference to the deadlines by which the subsequent transfer to the company or to third parties is permitted or prohibited;

Not applicable.

² For the 2020 allocation, it is measured as the percentage of plants (out of the total number) that do not fall within the disincentive area (year 2022), using the ARERA method valid for 2019 for the 2019 concessions scope. Performance is assessed according to a linear scale which awards: 130% if the result is 93% of plants (out of the total number); 70% for 92% of plants (out of the total number); 0% for less than 92% of plants (out of the total number).

4.7 The description of any conditions precedent with regard to the allocation of plans if the recipients carry out hedging transactions which allow any prohibitions on the sale of the financial instruments allocated, also in the form of options, to be neutralised, or the financial instruments deriving from the exercising of these options;

Not applicable.

4.8 The description of the effects caused by the termination of the employment relationship;

In cases of mutual termination of the employment of the beneficiary, or the loss of control by Italgas S.p.A. over the Company in which the Participant works, or the sale of the company (or business unit) in which the Participant works, which take place by the date on which the Board establishes the Percentage, the incentive will be delivered to those with rights to an extent proportional to the period between the assignment and the occurrence of the above-mentioned events, as well as in relation to any actual results in the period.

In the event of the death of the participant by the date on which the Board establishes the percentage, the incentive will be delivered to those with rights at a fixed rate of 100% of the incentive allocated. Should the employee of the company unilaterally terminate the employment contract during the vesting period, the incentive will not be delivered.

4.9 Details of any other causes of cancellation of the plans;

There are no causes for the cancellation of the LTMI Plan.

4.10 The reasons relating to any "redemption" provision, on behalf of the company, of the financial instruments that are the subject of the plans, arranged pursuant to article 2357 et seq. of the Italian civil code; the beneficiaries of the redemption indicating whether it is only intended for special categories of employees; the effects of the termination of the employment relationship on said redemption;

Not applicable.

4.11 Any loans or other subsidies that are intended to be granted for the acquisition of the shares pursuant to article 2358 of the Italian Civil Code;

Not applicable.

4.12 Details of the valuations of the expected cost for the company at the allocation date, as can be determined based on the terms and conditions already defined, for the overall amount and in relation to each instrument of the plan;

The total anticipated spending in the three-year period 2020-2022 for the implementation of the Plan is approximately 5 million euros, if the performance level target (100%) is reached in each vesting year.

4.13 Details of any dilutive effects on the capital caused by the pay plans

Not applicable.

4.14- 4.23 the section relating to the granting of shares and stock options is not applicable

4.24 The issuers of the shares are adding the attached Table 1 to the information document:

Not applicable.

By
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