



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

Approved by the Board of Directors of Italgas S.p.A. in the meeting of 18 December 2020.

ARTICLE 1
PRELIMINARY PROVISIONS

- 1.1 These regulations (hereinafter also the “*Regulations*”), approved by the Board of Directors on 18 December 2020, govern the composition and appointment, method of operation, duties and functions, as well as the powers and means of the Appointments and Compensation Committee (hereinafter also referred to as the “*Committee*”) of Italgas S.p.A. (hereinafter also the “*Company*”).

ARTICLE 2
COMPOSITION AND APPOINTMENT

- 2.1. The Committee was created by resolution of the Board of Directors pursuant to Article 13.8 of the Bylaws, in accordance with the recommendations of the Corporate Governance Code approved by the Corporate Governance Committee in the *pro tempore* applicable version (hereinafter also the “*Corporate Governance Code*”) by which the Company abides.
- 2.2. The Committee shall be composed of 3 (three) non-executive directors who are all independent in accordance with the law and with the Corporate Governance Code or, alternatively, non-executive directors, the majority of whom are independent in accordance with the law and the Corporate Governance Code; in the latter case, the Chairman shall be selected from among the independent directors.
- 2.3. 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.
- 2.4. The Board of Directors shall appoint and revoke the members of the Committee and, among these, its Chairman, in compliance with the requirements of Article 2.2. If the Board of Directors fails to take this action, the Chairman shall be elected by the Committee from its members who are independent in accordance with the law and with the Corporate Governance Code.
- 2.5. The Committee shall remain in office for the duration of the mandate of the Board of Directors which appointed it. In the event that the Board of Directors leaves office early for any reason whatsoever, the Committee shall be removed from its appointment with immediate effect.
- 2.6. The loss of the office of Director involves the automatic termination of the office of Committee member.
- 2.7. Should the office of one or more Committee members be vacated for any reason during the mandate, the Board of Directors shall provide to fill it at the first available Board meeting, appointing from among its members those who are in possession of the requirements laid down in article 2.2.
- 2.8. The office of Committee members appointed to replace vacated offices shall expire at the same time as those in office at the time of their appointment.
- 2.9. The appointment of each member of the Committee may be revoked with reasoned resolution of the Board of Directors which shall provide to appoint a replacement at the same time.

ARTICLE 3 OPERATION

- 3.1. The Committee Chairman, (hereinafter also the "*Chairman*") plans and coordinates the activities of the Committee, represents it, calls, chairs and manages its meetings, and informs the Board of Directors of the resolutions made at the first available board meeting. If the Chairman 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.
- 3.2. The Chairman of the Board of Statutory Auditors (or another Statutory Auditor designated thereby) shall attend the Committee meetings; the other members of the Board of Statutory Auditors may also attend the Committee meetings; the Chairman of the Committee may also invite the Chairman of the Board of Directors, the Chief Executive Officer (hereinafter also referred to as the "*CEO*"), the other directors, as well as the representatives of the relevant corporate departments - providing notice thereof to the CEO - and parties outside the Company, to attend individual Committee meetings in order to provide information and assessments on relevant agenda items.
- 3.3. The Committee shall meet with the frequency necessary to perform 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, the Committee shall meet when convened by the Chairman, as well as following a written request by one or more of the other members, stating the items to be included on the agenda.
- 3.4. 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. In the case of meetings carried out exclusively via telecommunication means, these can be convened without indication of a physical location.
- 3.5. The role of Secretary is carried out, depending on the individual matters being addressed, by: the Head of the Legal and Corporate Affairs and Compliance Department for matters relating to appointments and self-assessment of the Board of Directors pertaining to the Committee's functions under Article 4.1.1 (hereinafter "*Appointment Matters*"); and by the Chief Human Resources Officer for matters relating to remuneration pertaining to the Committee functions under Article 4.1.2 (hereinafter "*Remuneration Matters*"). The two secretaries (hereinafter also referred to as the "*Secretaries*") shall each assist the Committee and its Chairman in carrying out the relevant activities in respect of the matters for which they are responsible.
- 3.6. Based on the instructions of the Committee Chairman, the call notice is sent to all members by the Secretary responsible for Appointment Matters, after consulting with the Secretary responsible for Remuneration Matters, by uploading it to the Committee's exclusive "Secure Area" on the digital system used by the Company. In cases when it is impossible to use this digital system, the notice is exceptionally sent by email or via other telecommunication means, to the addresses indicated by each recipient.

The call notice includes notification: (i) of the location of the meeting (normally the Company's offices) which can be omitted if the meeting is convened exclusively via telematic means, (ii) the date and time of the meeting, as well as (iii) the list of agenda items.

The notice is sent as a rule at least 5 (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 Chairman of the Board of Directors, to the Chief Executive Officer, to the Secretary of the Board of Directors and to the Chairman of the Board of Statutory

Auditors. The Chairman of the Board of Statutory Auditors shall notify the Committee Chairman of whether the Standing Auditors are to attend.

Before being sent, the draft call notice is shared by the Secretary of the Committee with the Secretary of the Board of Directors to allow the latter to ensure that the matters to be dealt with relating to the meetings of the Board of Directors have been included in the agenda.

- 3.7. Any documentation regarding the items on the agenda shall be made available by the Secretary responsible for Appointment Matters - after consulting with the Secretary responsible for Remuneration Matters - to the Committee members by uploading it to the Committee's "Secure Area" on the digital system used by the Company, as well as in any other agreed formats which guarantee the confidentiality of the information provided. The documentation shall normally be made available at least 5 (five) days prior to the date of the meeting, except in exceptional cases.

A copy of any documentation shall be made available to the Chairman of the Board of Statutory Auditors and other Statutory Auditors, and to the Secretary of the Board of Directors, as well as (yet only for the meetings they attend) the Chairman of the Board of Directors and the CEO, following the procedures set out above.

In addition to the obligations relating to the inside information set out in current legislation and in the Procedure for the public disclosure of inside information adopted by the Company, said individuals shall be required to maintain the confidentiality of the data and information received while performing their duties.

- 3.8. 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.
- 3.9. The Committee Secretaries shall jointly draw up the meeting minutes, each for their respective area of competence. The draft minutes shall be submitted by the Secretary for Appointment Matters, after consulting with the Secretary for Remuneration Matters, to the Committee Chairman and to the other members for any observations; the minutes are then normally approved at the following Committee meeting.

The approved minutes are: (i) sent to the Committee members, to the Chairman of the Board of Statutory Auditors (or to the Statutory Auditor designated thereby) and, where in attendance, to the Chairman of the Board of Directors and to the CEO; (ii) signed by the Chairman of the meeting and by one or both of the Secretaries in relation to the matters discussed, and shall be kept in the Company's files.

- 3.10. Members who have a personal interest or interest on behalf of others in relation to the subject of the resolution shall make this known to the Committee, it being understood that no director shall take part in Committee discussions and resolutions in which proposals are being made to the Board regarding his/her compensation, except where said discussions and resolutions affect all board committee members.

ARTICLE 4 COMMITTEE TASKS AND FUNCTIONS

- 4.1. Pursuant to the Bylaws, the Committee is tasked with assisting and supporting the Board of Directors by performing the following tasks and proposal and advisory duties, subject to a preliminary investigation with the support of the Head of the Legal and Corporate Affairs and Compliance department and the Head of Human Resources and Organisation, as specified in

greater detail in Article 4.2 below.

4.1.1 Tasks and functions of the Committee in relation to the appointment of directors and self-assessment of the Board of Directors

- a) it proposes candidates to the Board of Directors for the position of director to co-opt if one or more directors during the year cease to hold office (Article 2386(1) of the Italian Civil Code), ensuring compliance with the minimum number of independent directors and quotas for the less represented gender;
- b) on the CEO's proposal, made in agreement with the Chairman of the Board of Directors, it submits to the Board of Directors the candidates to serve as members of the company bodies: (i) of the direct subsidiaries; (ii) and of the indirect subsidiaries included in the consolidation scope, with an individual turnover equal to or above 30 million euros (hereinafter the "*Subsidiaries*"). The proposal made by the Committee is necessary;
- c) it draws up and provides opinions for the Board of Directors on the maximum number of director and statutory auditor positions that may be held in other companies listed on regulated markets, including foreign markets, or in large companies based on the criteria defined by the Board of Directors, which may be considered compatible with the effective performance of the role of director of the Company or Subsidiaries, taking account of the commitment required for the position in the Company or Subsidiaries;
- d) it develops criteria for assessing the requirements of professionalism and independence of the directors of the Company and Subsidiaries; with particular regard to the assessment of the Company directors' independence pursuant to the Corporate Governance Code, it proposes to the Board of Directors the quantitative and qualitative criteria to be considered when assessing the significance of (i) any relevant commercial, financial or professional relations pursuant to Recommendation 7(c) of the Corporate Governance Code that may be entered into by the directors; and (ii) any relevant remuneration pursuant to Recommendation 7(d) of the Corporate Governance Code received by the directors from the Company, one of its Subsidiaries or the parent company if any, additional to fixed remuneration for the position and any remuneration received for attending the board committees as recommended by the Corporate Governance Code or established in the applicable regulations;
- e) it expresses its own opinion to support the assessment of the Board of Directors of specific circumstances or issues in the presence of a general and preventive authorisation for exemption from the prohibition on competition envisaged in Article 2390 of the Italian Civil Code;
- f) it supports the Board of Directors in drawing up, updating and implementing the succession plan for the CEO and any other executive director, which – as a minimum – shall set out the procedures to follow in the event of early termination of office, providing its opinion thereon; it examines and assesses the procedures adopted for the succession of top management as defined by the Corporate Governance Code (hereinafter also referred to as "*Top Management*" or "*Executives with strategic responsibilities*") and provides its opinion as to their suitability to the Board of Directors;
- g) it draws up and proposes procedures for the annual self-assessment of the Board and its board committees, supporting the Chairman in ensuring the suitability and transparency of the process itself;

- h) it provides its opinion to the Board of Directors – at each renewal of the administrative body, considering the results of the self-assessment referred to in point g) above – regarding the optimal quantitative and qualitative composition of the Board of Directors and board committees, and draws up recommendations on the professional and managerial roles deemed appropriate for the Board;
- i) it expresses its opinion with regard to establishing, updating and supplementing the Diversity of Company Bodies Policy, in compliance with the provisions therein;

4.1.2 Tasks and functions of the Committee regarding the remuneration of directors, General Managers, statutory auditors and Executives with Strategic Responsibilities

- l) it submits for approval by the Board of Directors the report on remuneration policy and compensation paid pursuant to Article 123-ter of the CLF and, in particular, the Policy for the remuneration of the administrative body members, General Managers, and Executives with Strategic Responsibilities, as well as – in accordance with the provisions of Article 2402 of the Italian Civil Code – the members of the control body (hereinafter the “**Policy**”), to be presented at the Shareholders’ Meeting called to approve the financial statements for the year, within the timeframe established by law;
- m) it assesses the vote cast by the Shareholders' Meeting on the two sections of the report referred to in point a), in the previous financial year, and provides an opinion thereon to the Board of Directors;
- n) it prepares proposals regarding the remuneration of the Chairman and the Chief Executive Officer, with regard to the various forms of compensation and economic treatment;
- o) it makes proposals or expresses opinions relating to the remuneration of the board committee members;
- p) it examines opinions, also on the basis of instructions received from the Chief Executive Officer regarding:
 - general criteria for the remuneration of Top Management;
 - general guidelines for the remuneration of other managers of the Company and its Subsidiaries;
 - annual and long-term incentive plans, including share-based plans;
- q) it expresses opinions – including on the CEO’s proposals – on setting performance targets and calculating the company results tied to the implementation of the incentive plans and defining the variable remuneration of Directors with powers; and proposes stipulating claw-back clauses;
- r) it expresses its opinion to the Control, Risk and Related-Party Transactions Committee regarding the remuneration of the Internal Audit Manager;
- s) it proposes the definition, in relation to Directors with powers: *i)* of the indemnification to be paid in the event of termination of their employment; *ii)* of the non-competition agreements;
- t) it monitors the implementation of the decisions made by the Board; it periodically assesses the adequacy, overall consistency and practical application of the Policy adopted, using, in this regard, the information provided by the CEO, submitting proposals to the Board on the subject;
- u) it performs any duties that may be required by the procedure concerning related-party transactions carried out by the Company;

- v) it reports on the exercising of its functions to the Shareholders' Meeting called for the approval of the annual financial statements, through the Chairman of the Committee or another member delegated by the same.
- 4.2. Activities relating to appointments and self-assessment of the Board of Directors under Article 4.1.1 are investigated by the Head of the Legal and Corporate Affairs and Compliance department, jointly with (only for the matters under Article 4.1.1(a), (b) and (f)) the Head of Human Resources and Organisation; the activities relating to remuneration under Article 4.1.2 are investigated by the Head of Human Resources and Organisation.
- 4.3. 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.

ARTICLE 5 POWERS AND MEANS

- 5.1. The Committee is entitled to access the information and company departments needed so as to perform its duties.
- 5.2. 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.

ARTICLE 6 DUTIES OF THE COMMITTEES MEMBERS

- 6.1 The members of the Committee are required to perform their duties in compliance with the principles of professionalism, transparency and independence of judgement, abstaining from any behaviour not compliant with the same.

In particular, in addition to compliance with the Procedure for the public disclosure of privileged information adopted by the Company and to the regulations on the matter, the members of the Committee are required to keep confidential any data and information acquired during the fulfilment of their office for purposes other than the performance of their duties.

ARTICLE 7 FINAL PROVISIONS

- 7.1 These Regulations may only be amended with resolution of the Board of Directors on proposal from the Committee, with the exception of any purely formal amendments made necessary for compliance with legal or statutory provisions, resolutions of the Board or in relation to organisational changes in the Company, which can be made by the Legal and Corporate

Affairs and Compliance Department, subject to assessment by the Committee itself, which shall inform the Board at the first available meeting.