



**REGULATIONS
OF THE
CONTROL, RISK
AND RELATED PARTY TRANSACTIONS 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 Control, Risk and Related Party Transactions 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.

The Committee overall shall hold adequate competences in the sector in which the company operates, functional in assessing related risks. At least one Committee member shall have adequate knowledge and experience in accounting and finance or risk management, to be assessed by the Board of Directors at the time of appointment.

- 2.3. The Board of Directors appoints and revokes 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.
- 2.4. 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.
- 2.5. The loss of the office of Director involves the automatic termination of the office of Committee member.
- 2.6. 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.

- 2.7. 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.
- 2.8. 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 and 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 express an opinion on relevant agenda items.
- 3.3. The Committee shall meet with the frequency needed to discharge its duties, at least once every three months and, in any event, when a meeting is necessary or opportune.
- 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 shall be considered to have been held in the location where the Chairman of the Committee is. In the case of meetings carried out exclusively via telecommunication means, these can be convened without indication of a physical location.
- 3.5. The Head of Internal Audit shall act as Secretary of the Committee and assist the Chair in the execution of his or her functions.
- 3.6. Notices convening meetings are sent, on instruction from the Committee Chairman, to all members by the Secretary who uploads them in the "Secure Area" reserved to the Committee 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 notice includes the indication: (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. If the Chairman of the Board of Statutory Auditors should consider it necessary, he/she may ask the

Chairman of the Committee to call a meeting of the Committee. In case of need and urgency, said notice may be sent at least 12 (twelve) hours before the time set for the meeting.

A copy of the notice shall be sent to the Chairman of the Board of Directors, to the CEO, to the Chairman of the Board of Statutory Auditors and to the Secretary of the Board of Directors. 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 to the Committee members by the Secretary, through the Committee's "Secure Area" on the digital system used by the Company, or in any other agreed formats which guarantee the confidentiality of the information contained therein. The documentation shall normally be made available at least 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, to the Secretary of the Board of Directors, as well as to the Chairman of the Board of Directors and the CEO, following the procedures set out above.

In addition to the obligations relating to the privileged information set out in current legislation and in the Procedure for the public disclosure of privileged 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 The Committee shall be validly constituted in the presence of a majority of the serving members, and resolves by absolute majority of those present. In case of deadlock the Chairman shall have the casting vote.
- 3.9 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. As a rule, the minutes shall be approved at the next meeting of the Committee. The approved minutes are (i) sent to the Committee members, the Chairman and the CEO, and the Secretary of the Board of Directors; and (ii) signed by the Chairman of the meeting and the Secretary and kept on file in the Company's records.
- 3.10 Any member who has a personal interest or interest on behalf of others regarding the subject of the resolution shall make this known to the Committee.

ARTICLE 4 COMMITTEE TASKS AND FUNCTIONS

- 4.1 The Committee has the duty of providing proposals and advice to the Board, to support it with adequate analysis, assessments and decisions regarding the internal control and risk management system as well as decisions regarding the approval of the periodic financial and non-financial reports.

In particular, the Committee has the following functions:

- a) it evaluates - having consulted the Officer responsible for the preparation of financial reports, the independent auditing firm and the Board of Statutory Auditors - the proper

- use of accounting standards and their consistency for the purposes of preparing the consolidated financial statements;
- b) it assesses the suitability (verifying that the preparation process is correct as a minimum) of the periodic financial and non-financial information, so that it correctly represents the company's business model, strategies, impact of its activities, and performance achieved, while coordinating with the Sustainability Committee;
 - c) it examines the content of periodic non-financial reporting relevant to the internal control and risk management system;
 - d) it undertakes the additional duties assigned to it by the Board of Directors in relation to "transactions in which directors or statutory auditors have an interest and transactions with related parties", in accordance with the terms and methods set out in the procedure on Transactions in which Directors and Statutory Auditors are interested parties and transactions with related parties;
 - e) it supervises the activities of the Internal Audit department;
 - f) it examines the periodic reports drawn up by the Supervisory Board, the independent auditing firm, the Officer responsible for the preparation of financial reports, and the Internal Audit department, regarding the assessment of the internal control and risk management system, as well as the reports drawn up by the Enterprise Risk Management department for identifying, assessing, managing and monitoring the main risks, and the reports of particular importance drawn up by the Internal Audit Manager;
 - g) it expresses opinions on specific aspects involving the identification of the main risks to the Company;
 - h) it monitors the independence, suitability, effectiveness and efficiency of the Internal Audit Department;
 - i) it may ask the Internal Audit Manager to carry out inspections of specific operational areas, giving notice thereof to the Chairman of the Board of Statutory Auditors, the Chairman of the Board of Directors and the CEO;
 - j) it may make a request with the Internal Audit Manager for other audits not envisaged in the Audit Plan, where available resources allow;
 - k) it expresses its opinion to the Board of Directors on the CEO's proposals made in agreement with the Chairman of the Board of Directors, regarding the appointment, revocation and remuneration of the Internal Audit Manager, in line with the Company's remuneration policies, with a view to ensuring that the Internal Audit Manager has sufficient resources to fulfil his/her responsibilities; the opinion concerning remuneration is expressed to the BoD by the CRC after hearing the opinion of the Appointments and Compensations Committee;
 - l) it assesses the integrity, professionalism, expertise, independence and necessary experience of the Internal Audit Manager at the time of appointment, as well as any incompatibilities, including in terms of conflicts of interest, with previous activities or roles held at the Company and/or its Subsidiaries;
 - m) it supports, making suitable enquiries, the assessments and decisions of the Board of Directors regarding the management of risks resulting from prejudicial events that have come to the knowledge of the Board of Directors or which the Committee has brought to the attention of the Board of Directors;

- n) it supports the Board of Directors in assessing the advisability of adopting measures to guarantee the effectiveness and impartiality of the other company departments involved in the checks, ensuring that they have adequate professional skills and resources;
- o) it reports to the Board of Directors on the orientation review and progress monitoring of the Management System improvement programmes for preventing and combating corruption – activities which are coordinated and supervised by the department of Legal Compliance and Anti-Corruption Programmes.

4.2 The Committee shall express its opinion to the Board of Directors in order to:

- a) establish the internal control and risk management system guidelines in line with the Company's strategies, after consulting the Board of Statutory Auditors;
- b) propose to the CEO any updates or adjustments to the internal control and risk management system guidelines or to the Internal Audit Guidelines, after consulting the Board of Statutory Auditors;
- c) at least once a year and, as a rule, when the financial statements for the year are approved, assess the adequacy of the internal control and risk management system, considering the Company's characteristics and assumed risk profile, as well as the effectiveness of the system;
- d) periodically approve, at least once a year, the audit schedule prepared by the Internal Audit Manager;
- e) describe, in the Report on Corporate Governance and Ownership Structure, the main features of the internal control and risk management system, and assess the adequacy of the system itself and the coordination procedures between the various individuals involved;
- f) assess the conclusions presented by the Independent Auditors in any suggestion letters and in the additional report for the Board of Statutory Auditors;
- g) appoint and revoke the members of the Supervisory Body;
- h) ensure the adoption of Model 231 and approval of all adjustments in line with current regulatory provisions;
- i) review the orientation and monitor the progress of the Management System improvement programmes for preventing and combating corruption – activities which are coordinated and supervised by the department of Legal Compliance and Anti-Corruption Programmes

4.3 The Committee reports to the Board of Directors: (i) at the first possible Board meeting following each of its own meetings, regarding the topics discussed and observations, recommendations, opinions provided therein; (ii) at least every six months and, as a rule, at (or prior to) the meetings for approving the annual and half-yearly financial reports, on the activities carried out and the adequacy of the internal control and risk management system.

4.4 The Committee shall receive from the Head of Internal Audit periodic reports containing adequate information on their activity, the ways in which risk management is carried out, and on respect for the plans defined to contain them. These reports shall contain an assessment of the suitability of the internal control and risk management system.

4.5 The Board of Statutory Auditors and the Committee shall promptly exchange information relevant for the performance of their duties.

At least every three months, the Board of Statutory Auditors and the Committee shall receive and collect from the control departments (Internal Audit, Risk Management, Compliance) and the independent auditing firm, relevant information on the controls carried out and on any weaknesses or critical points or anomalies encountered.

- 4.6 The Board of Statutory Auditors and the Committee shall meet at least every three months to evaluate the results that have emerged. The Committee shall report on the results of the control activities undertaken to the Board of Directors.

The Committee shall meet the Supervisory Body and Guarantor of the Code of Ethics, together with the Board of Statutory Auditors, at the review of the Body's half-yearly report.

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.