



Compliance Standard

Transaction involving the interests of the Directors and Statutory Auditors and Transactions with Related Parties

ITH-STC-069-R01

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 <p>Italgas STC <i>Transaction involving the interests of the Directors and Statutory Auditors and Transactions with Related Parties</i></p>	<p>COMPLIANCE & ERM</p>	
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Written	AFFSOC					
Verified	ALESOC	HRO	HSEQ	SCIS	AMBIL	Officer responsible
Approved	CEO	BoD				
Elements of Compliance	231	262				

Chronology of Reviews

- Rev. R01
- Rev. 00 (14-12-2017)
 - *Repealed documents:*
 - [ITH-PRO-017-R00] “Transactions involving the interests of the Directors and Statutory Auditors and Transactions with Related Parties,” approved by the BoD of Italgas SpA at the meeting on 14/06/2021.

For the purposes of this document, the terms and definitions available in the “Glossary” section found on the company Intranet apply

Any regulatory references are detailed in the “External References” section available on the company Intranet

Any printed copies of the document are not checked and revised.
 Before use it is necessary to check that the document is up-to-date compared with the original in force on the company’s intranet.

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I. ABSTRACT

This Standard (the “**Standard**”), adopted by the Board of Directors (the “**Board of Directors**”) of Italgas S.p.A. (“**Italgas**” or also the “**Company**”) pursuant to and for the effects of article 2391-bis of the Italian Civil Code and Consob Resolution “*Related-party transactions regulation*” no. 17221 of 12 March 2010 as most recently updated with the amendments made with Resolution no. 21624 of 10 December 2020 (hereinafter, “**Consob Regulation**”, annexed to this Standard as Annex 1), establishes the principles and rules which Italgas and its direct or indirect subsidiaries pursuant to art. 93 of Legislative Decree 58/1998 (“**CLF**”) or in any case subject to direction and coordination pursuant to art. 2497 and ff. of the Italian Civil Code (hereinafter “**Subsidiaries**” and, together with Italgas, “**Group**” or “**Italgas Group**”) must adhere to in order to ensure transparency and substantial and procedural fairness of Related-Party Transactions and Transactions involving the interests of the directors and statutory auditors of Italgas, carried out by Italgas or its Subsidiaries, also taking into account the aim of avoiding the risk of depleting the company’s equity.

This Standard, as well as the subsequent amendments and/or supplements, apply from the day indicated by the Board of Directors in the approval resolution. Considering that related-party transactions are important for the Group in relation to two different aspects – management policies and corporate reporting – this Standard is issued:

- to take account of the rules introduced by the Consob Regulation;
- in compliance with the prescriptions and recommendations of the New Corporate Governance Code of the listed companies approved by the Corporate Governance Committee to which Italgas adheres (hereinafter, “**Corporate Governance Code**”) and the Corporate of Ethics of the Italgas Group;
- in compliance with the Unbundling Regulations, taking account of the specific nature of the activities carried out by the Italgas Group subject to the supervision of the Regulatory Authority for Energy, Networks and the Environment (in compliance with law no. 481 of 1995 and legislative decree no. 164 of 2000);
- in coordination with the provisions of the administrative and accounting procedures pursuant to art. 154-bis of the CLF.

The Company applies this Standard to Related-Party Transactions implemented by Italgas, directly or through its Subsidiaries, also taking into account Consob Communication no. DEM/10078683, published on 24 September 2010, containing “Indications and guidelines for the application of Regulations on related-party transactions adopted with resolution no. 17221 of 12 March 2010 as subsequently amended” (the “**Consob Communication**”), attached to this Standard as Annex 2.

2. DEFINITIONS

In addition to any terms defined in the articles of this Standard, the terms and expressions in capital letters used herein have the meaning indicated below, it being specified that the same meaning applies in both the singular and plural.

Directors Involved in the RPT: directors of Italgas who have an interest in the Related-Party Transaction, on their own behalf or for third parties, in conflict with that of the Company.

Independent Directors: directors of Italgas in possession of the independence requirements prescribed by the regulations in force at the time and the Corporate Governance Code¹;

Unrelated Independent Directors: Independent Directors other than the counterparty of a particular Transaction and the related parties of the counterparty.

Unrelated and Uninvolved Independent Directors: Independent Directors other than the counterparty of a particular Transaction and the related parties of the counterparty, who have no interest in the Related-Party Transaction, on their own behalf or for third parties, in conflict with that of the Company.

Unrelated Directors: directors of Italgas other than the counterparty of a particular Transaction and the related parties of the counterparty.

Unrelated and Uninvolved Directors: directors of Italgas other than the counterparty of a particular Transaction and the related parties of the counterparty, who have no interest in the Related-Party Transaction, on their own behalf or for third parties, in conflict with that of the Company.

Control, Risk and Related Party Transactions Committee and Appointments and Compensation Committee: Committees established by and within the Italgas' Board of Directors following the recommendations of the New Corporate Governance Code.

Conditions Equivalent to those of the Market or Standard: conditions similar to those usually practised with respect to non-related parties for transactions of a corresponding nature, size and risk, or based on regulated tariffs or on set prices or those practised with respect to subjects with whom the company is obliged by law to contract at a set fee². They usually include conditions determined following competitive and transparent procedures governed by general company rules or by rules in line with legal procedures for purchasing goods and services, as well as the conditions applied in compliance with the provisions set out in clause 14.4 of Annex A to Resolution no. 296/2015/R/com and subsequent amendments and supplements of the Regulatory Authority for Energy, Networks and the Environment (Unbundling Regulations).

Independent Expert: natural or legal person in possession of the requirements of professionalism, integrity and independence required by the nature of the office held. Independence is first assessed by the Committee required to issue an opinion on the RPT pursuant to the subsequent paragraphs 4.2 and 4.3 or, if the Independent Expert is required to issue this opinion by the Board of Directors having particular regard to any economic, equity and financial relations between the Independent Expert and (i) the Related Party counterparty of the RPT, the companies it controls, the subjects that control it and the companies subject to joint control; (ii) Italgas, the subjects that control Italgas, the companies controlled by Italgas or subject to joint control with the latter, (iii) the directors of the companies referred to above under the previous points (i) and (ii); information on any relationships is certified by a statement issued by the expert during the awarding of the assignment³;

Department: in accordance with this Standard, an organisational unit of the Company or a Subsidiary carrying out the activities specified in the various phases of the process. The department is promptly

¹ Whether the directors hold the requisites of independence is assessed after their appointment or annually by the Board of Directors; the result of the assessment is made known to the public.

² It should be borne in mind that the Italgas Group performs many activities that are strictly regulated by the Italian Regulatory Authority for Energy, Networks and the Environment in terms of both contractual and tariff aspects, therefore leaving no discretionary elements in the agreements signed by the Italgas Group in strict compliance with the provisions and tariffs approved by the Authority.

³ The Consob Communication specifies that the Experts chosen by the Independent Directors do not necessarily have to be different from those that may be appointed by the company. Moreover, the economic, equity and financial relations indicated above may be considered irrelevant as far as judging independence is concerned, without prejudice for the need to provide express justification for it in the information document referred to in Annex 4 of the Consob Regulation.

identified in the current organisation chart according to the responsibilities laid out in the relevant corporate organisational documents.

Group or Italgas Group: the corporate group comprised of Italgas and its Subsidiaries.

Unbundling Regulation: Provisions issued by the Regulatory Authority for Energy, Networks and the Environment as set out in Annex A to Resolution 137/2016/R/com - Consolidated Law on Accounting Unbundling (TIUC) as set out in Annex A to Resolution 296/2015/R/com - Consolidated Law on Functional Unbundling (TIUF).

Transaction: any transfer, active or passive, of resources, services or the assumption of obligations, irrespective of whether compensation has been agreed. However, the following are included:

- mergers, demergers by incorporation or non-proportional demergers in the strictest sense;
- any decision relating to the allocation of remuneration and economic benefits, in any form, to the members of the boards of Directors or Statutory Auditors and to executives with strategic responsibilities⁴.

Transactions involving the interests of the directors and statutory auditors: any Transaction carried out by Italgas or another Group company with directors and statutory auditors of Italgas or with Subjects of Interest.

Transactions with Related Parties or RPT: transactions defined as such by the international accounting standards adopted in accordance with the procedure referred to in art. 6 of Regulation (EC) no. 1606/2002 (“**International Accounting Standards**”) in force at the time negotiations on a RPT start or, in the absence of negotiations, at the time the relative decision is made ⁵; for ease of reference Annex 2-bis of this Standard contains the definition of Related-Party Transactions and the definitions functional thereto indicated in the International Accounting Standards in force at the time⁶.

Transactions of Greater Importance: RPTs that exceed the thresholds envisaged by the regulations in force each time and that, on the date of approval of this Standard correspond to the RPTs identified as such by Annex 4 to this Standard.

Transactions of Lesser Importance: RPTs other than Transactions of Greater Importance and Transactions of Negligible Value.

Transactions of Negligible Value: RPTs identified as such by Annex 5 of this Standard, which, considering the size of the Italgas Group, do not involve any appreciable risk to the protection of investors and the integrity of the company’s equity.

Ordinary Transactions⁷: RPTs which fall within the sphere of the ordinary management of business operations and the

⁴ Cf. paragraph 4.6

⁵ Express reference is made to the Consob Communication, where it states that “*If the transaction is carried out by a listed company through another listed company, in the sense indicated above, both companies shall be required to apply the procedures according to their respective roles: the parent company shall apply, during the examination or approval of the transaction, the rules independently identified, while the subsidiary shall apply the procedures required by the Regulations for transactions of greater or lesser importance. Of course, the above shall apply only on condition that the related party is also a related part of the controlled company.*”

⁶ Any merely formal amendments made to the aforementioned definitions that are necessary to adapt to regulatory or legislative measures can be made by the Legal Department, subject to assessment by the Committee itself, which shall inform the Board at the first available meeting.

⁷ The expression refers to the concept of the *ordinary course of business*. Pursuant to the Consob Communication, an “ordinary” transaction occurs in cases where two selection criteria are simultaneously met. Firstly, the transaction must be consequent to operating activities or, alternatively, to the financial activity related to the same. Secondly, the same transaction must also fall within the sphere of the “ordinary” operating activities or the related financial activities”. “Business operations” means the set of (i) main activities that generate revenues for the company and (ii) all the other management activities that cannot be classified as “investment-related” or “financial.” When identifying “business operations” the subject, recurrence, purpose or scope, size, contractual terms and conditions, nature of the counterparty and timing must be taken into account.

related financial activities.

Related Parties: the subjects defined as such by the International Accounting Standards in force at the time negotiations on a RPT start or, in the absence of negotiations, at the time the relative decision is made; for ease of reference Annex 2-bis of this Standard contains the definition of Related Parties and the definitions functional thereto indicated in the International Accounting Standards in force at the time⁸.

Attorney-in-fact: individual attributed, according to the cases, the power to complete deeds in the name and on behalf of the Italgas Group, with effect in respect of third parties.

Unrelated Shareholders: subjects with voting rights, other than the counterparty of a particular RPT or subjects related to both the counterparty of the RPT and to Italgas.

Subjects of Interest: subjects (natural or legal persons) indicated by directors and statutory auditors of Italgas, who may have a direct or indirect interest, even potential, in the activities carried out by Italgas and by the Subsidiaries or in certain Transactions⁹.

When examining each relationship with Related Parties, attention should be given to the substance of the relationship and not only its legal form.

DEPARTMENTS INVOLVED

Department Mentioned in this document	Organisational Unit
Legal Department	Legal, Corporate and Compliance Affairs (ALESOC)
Corporate Affairs Department	Corporate Affairs and Governance (AFFSOC)
Legal Compliance Department	Compliance, Legal and Anti-Corruption Department (COMPLA)
Internal Audit Department	Internal Audit (INTAU)
Budget Department	Administration and Finance (AMBIL)

3. CENSUS OF THE RELATED PARTIES AND PARTIES CONCERNED. PRELIMINARY WORK.

3.1 Related Parties and Subjects of Interest Database

The Related Parties of Italgas and Subjects of Interest are listed, in compliance with privacy regulations, in a database (“**Related Parties and Subjects of Interest Database**” or also “**Database**”) created on the basis of:

- the company register of shareholdings of the Italgas Group;
- the statements that the persons indicated in point I, letter a) (i) and (ii) of Annex 2-bis to this Standard, as well as the directors, standing auditors and executives with strategic responsibilities of Italgas issue periodically with reference to the identification of the Related

⁸ Any merely formal amendments made to the aforementioned definitions that are necessary to adapt to regulatory or legislative measures can be made by the Legal Department, subject to assessment by the Committee itself, which shall inform the Board at the first available meeting.

⁹ If the Subject of Interest is indicated with reference to a certain Transaction involving the interests of the directors and statutory auditors of Italgas, the director or statutory auditor of Italgas shall assess whether to update their periodic statement and, in any case, inform the Corporate Affairs Department of Italgas for the purposes of the application of points 5.1 and 5.2.

Parties referable to them¹⁰ and, limited to the directors and standing auditors of Italgas, of the Subjects of Interest;

- of any additional information available to the Italgas Group^{11 12}.

For the purposes of updating the Database, the Corporate Affairs Department, at least once a year, sends the person indicated in point I, letter a (i) and (ii) of Annex 2-bis to this Standard, as well as the directors and statutory auditors and the other executives with strategic responsibilities of Italgas a statement to fill out, sign and send back to the Corporate Affairs Department, attached to this Standard as Annex 3. The Related Parties and Subjects of Interest Database is kept by the Corporate Affairs Department. The head, identified by the head of Corporate Affairs (“**Head of the Database**”), ensures it is updated, if necessary also with the assistance of external consultants.

Moreover, the Corporate Affairs Department prepares and retains, in a special electronic register, an archive of (i) Related-Party Transactions approved according to the procedures described in the following paragraphs 4.2 and 4.3, as well as the framework resolutions mentioned in paragraph 4.5; (ii) Related-Party Transactions covered by the causes of exclusion indicated in the following paragraph 4.6.

3.2 Preliminary work

At the outset of any transaction, or when the conditions of an already approved transaction are altered, the Attorney-in-fact is responsible for ascertaining, even through the person instructed to carry out the preliminary work, whether the transaction is included under the scope of application of this Standard¹³.

In particular, the Attorney-in-fact must check, even through the person instructed to carry out the preliminary work, whether the counterparty in the transaction is a Related Party or Subject of Interest, with the support of the Corporate Affairs Department.

Each Attorney-in-fact, at the start of any Transaction, or when the conditions of an already approved transaction are amended, is required, with the support of the Corporate Affairs Department, to check in the Related Parties and Subjects of Interest Database, via access from a special application on the company Intranet, whether the party or parties to the possible agreement are identified in the Database. The Database manager, at the request of the Interested Party, is required to give a prompt reply, indicating whether the name of the counterparty is in the Database or not.

The Attorney-in-fact keeps track of any application of one of the causes of exclusion indicated in the next paragraph 4.6 to the Related-Party Transactions and in any case informs the Corporate Affairs Department, so that it can include the transaction in the archive referred to in paragraph 3.1.

3.3 Information flows

The Attorney-in-fact:

¹⁰It is the responsibility of the people indicated as Related Parties in point I, letter a) (i) and (ii) of Annex 2-bis to this Standard, as well as the directors, standing auditors and other executives with strategic responsibilities of Italgas to promptly ^{inform} the Corporate Affairs Department of the Italgas Group of any updates to the statements issued.

¹¹ Such as, for example, the information deduced from the mapping of its related parties periodically sent by the person or legal persons required to do so to the head of the Company’s Legal Department.

¹² The information and data on the Related Parties and Subjects of interest contained in the Database consists of: (i) for natural persons, name and surname, date and place of birth, tax code; (ii) for legal persons, company name, registered office, tax code/VAT registration number. Information relating to the directors, auditors and executives with strategic responsibilities is obtained and processed in compliance with the privacy regulations.

¹³ In the case of transactions that require auctions, tenders or other competitive procedures to be carried out, the checks must be made during the preparation of the documentation necessary to participate in or announce the competitive procedure.

- where it is ascertained that the transaction is carried out with a director or a statutory auditor of Italgas or with a Subject of Interest, applies the provisions stated in article 5 below.
- where it is ascertained that it is a Related-Party Transaction, is also required, with the support and prior verification of the Corporate Affairs Department, to start the preliminary work for the RPT referred to in this Standard, unless it is one of the cases of exclusion mentioned in paragraph 4.6 below. In particular, the Attorney-in-fact must send the information¹⁴, with the relative assessments on the RPT, through the Head of the relevant Department:
 - (i) to the Chief Executive Officer of Italgas in the case of transactions for which the Board of Directors of Italgas or the Chief Executive Officer of Italgas are competent;
 - (ii) to the Chief Executive Officer of the competent Subsidiary or the executive directors of another subject that is not corporate in nature, whose management bodies are comprised mainly of employees of Italgas or of Subsidiaries, in the case of Transactions in their interest.

The Head of the competent Department shall assure the competent Chief Executive Officer that the information and assessments received have been checked before subsequent communication to the Committee called on to give its opinion, as well as the additional activities required pursuant to the subsequent paragraphs 4.2 and 4.3.

In any case, if the responsibility for deciding is attributed to a subject or body other than the one that carried out the preliminary work, the same information and relative assessments referred to above are sent, by the Attorney-in-fact, also through his/her own managers, to such a subject or body.

4. TRANSACTIONS WITH RELATED PARTIES

4.1 Roles and authorisation procedure

The task of providing the opinion mentioned in the subsequent paragraphs 4.2 and 4.3 is assigned to the Control, Risk and Related Party Transactions Committee, established by and within the Board of Directors¹⁵. In the case of Related-Party Transactions concerning the remuneration of the directors, statutory auditors, general managers and other executives with strategic responsibilities of Italgas, this opinion is expressed by the *Appointments and Compensation Committee* established by and within the Board of Directors¹⁶.

The Committee meets in good time in view of the date scheduled for the approval and/or execution of the RPT. The opinion of the Committee must in any case be provided in good time for the approval and/or execution of the RPT.

In the cases envisaged in the subsequent paragraphs 4.2 and 4.3, if the Committee is not entirely made up of Unrelated and Uninvolved Directors, the members of the Committee who are not Unrelated and Uninvolved Directors shall be replaced, for the issuing of the opinion referred to that specific RPT:

¹⁴ The information on the RPT is drawn up coherently and compatibly with the provisions of the "Information Document on Transactions of Greater Importance" referred to in [Annex 6](#).

¹⁵ The Control, Risk and Related Party Transactions Committee must be made up of non-executive directors, the majority of whom are independent. The opinion mentioned in paragraph 4.3 below on Transactions of Greater Importance must be issued by a committee, even set up specifically, made up exclusively of Unrelated Independent Directors. Therefore, if the Control, Risk and Related Party Transactions Committee of Italgas is made up of non-executive directors, the majority of whom are independent, in application of the procedure indicated in the last paragraph of this paragraph 4.1, the opinion mentioned in the subsequent paragraph 4.3 is given by a committee set up specifically, appointed by the Board of Directors and made up only of Unrelated and Uninvolved Independent Directors, or an Independent Expert identified by the Board of Directors.

¹⁶ The opinion mentioned in paragraph 4.3 below on Transactions of Greater Importance must be issued by a committee, even set up specifically, made up exclusively of Unrelated Independent Directors. Therefore, if the Appointments and Compensation Committee is made up of non-executive directors, the majority of whom are independent, in application of the procedure indicated in the last section of this paragraph 4.1, the opinion mentioned in the subsequent paragraph 4.3 is given by a committee set up specifically, appointed by the Board of Directors and made up only of Unrelated and Uninvolved Independent Directors, or an Independent Expert identified by the Board of Directors.

- in the case of Transactions of Lesser Importance, by Unrelated and Uninvolved Directors in order of seniority until it is made up entirely by Unrelated and Uninvolved Directors, the majority of whom are Independent Directors;
- in the case of Transactions of Greater Importance, by Unrelated and Uninvolved Independent Directors in order of seniority until it is made up entirely by Unrelated and Uninvolved Independent Directors.

If it is not possible to make such a momentary substitution, the Committee informs the Board of Directors which shall appoint an Independent Expert¹⁷.

4.2 Procedure for Transactions of Lesser Importance

For Transactions of Lesser Importance, notwithstanding the decision-making powers established by the governance system of the Italgas Group and the provisions set out in the following paragraph 4.6, the following procedure must be carried out.

- a) Before approval of a Transaction of Lesser Importance, the information stated in the previous paragraph 3.3 shall be transmitted, as soon as it is available and in any case at least seven days before the first useful date for a meeting, by the relevant Department to the Control, Risk and Related Party Transactions Committee for the issuing of the opinion referred to in the subsequent letter b)¹⁸. If the RPT Conditions are deemed by the Attorney-in-fact as Market-Equivalent or Standard Conditions, the documentation drawn up must contain objective elements evidencing the fact.
- b) The Control, Risk and Related Party Transactions Committee shall provide a grounded, non-binding opinion on the interests of the Company in fulfilling the RPT and on the value and substantial correctness of the related conditions¹⁹. The opinion is annexed to the minutes of the Committee meeting at which it was given.

In this respect:

- (i) the Committee may seek assistance, at the company's expense, from one or more Independent Experts of its choice, having checked their independence, this check is carried out by the Committee, taking into account the economic, equity and financial relations between the Independent Expert and: (i) the Related Party counterparty of the Transaction, the companies it controls, the subjects that control it and the companies subject to joint control; (ii) Italgas, the subjects that control Italgas, the companies controlled by Italgas or subject to joint control with the latter, (iii) the directors of the companies referred to under the previous points (i) and (ii);
- (ii) if the duty to decide is attributed to a subject or body other than the Attorney-in-fact or the subject that carried out the preliminary work, they shall be sent, in addition to the information already sent pursuant to paragraph 3.3, the opinion issued by the Committee;
- (iii) if the duty to decide on the Transaction of Lesser Importance lies with the Italgas' Board of Directors, the Directors Involved in the Transaction shall abstain from voting on it²⁰;

¹⁷ This procedure shall be followed even if the Committee required to express the opinion referred to in the subsequent paragraph 4.3 is made up of Unrelated and Uninvolved Directors, the majority of whom are independent.

¹⁸ In any case, the time deemed necessary by the Committee itself shall always be respected to ensure that it can adequately examine the documentation transmitted.

¹⁹ In case of Transactions regarding the remuneration of directors, statutory auditors, general managers and other executives with strategic responsibilities, the opinion is expressed by the Appointments and Compensation Committee.

²⁰ At the Board of Directors' meeting, the directors involved can suggest they do not participate in the discussion, leaving the meeting room.

- (iv) the opinion issued by the Committee on a Transaction of Lesser Importance contains adequate reasons why it is in Italgas' interest to carry out the RPT and on the reasonableness and propriety in substance of the related conditions.
- c) The Board of Directors and the Board of Statutory Auditors shall receive a complete disclosure, at least quarterly, on the execution of Transactions of Lesser Importance from the Chief Executive Officer, highlighting any transactions that have been approved despite the Committee having given a negative opinion and the related reasons for it.
- d) Notwithstanding the provisions of article 17, paragraph 1, of (EU) Regulation 596/2014 (“**MAR**”)²¹, if Transactions of Lesser Importance have been approved despite a negative opinion given by the Control, Risk and Related Party Transactions Committee pursuant to the previous letter b), a document shall be made available to the public within 15 days of the end of each quarter, at the company's office and in the ways specified in Part III, Chapter II, Heading I of the Issuer Regulation adopted by Consob with resolution no. 11971/1999 as subsequently amended (“**Issuers' Regulations**”), containing the indication of the counterparty, the object and price of the Transactions of Lesser Importance approved during the reference quarter with the negative opinion of the Committee, along with the reasons why the choice was made not to comply with said opinion. Within the same term, the opinion is made available to the public as an annex to the information document or on the Company's website.

4.3 Procedure for Transactions of Greater Importance

For Transactions of Greater Importance, notwithstanding the provisions set out in the subsequent paragraph 4.6, the following procedure must be carried out.

- a) Before approval of a Transaction of Greater Importance, the information stated in paragraph 3.3 shall be sent as soon as it is available and in any case at least seven days before the first useful date for a meeting, by the relevant Department to the Control, Risk and Related Party Transactions Committee for the issuing of the opinion referred to in the subsequent letter c)²². If the conditions of the Transactions of Greater Importance are deemed by the Attorney-in-fact as Market-Equivalent or Standard Conditions, the documentation drawn up must contain objective elements evidencing the fact.
- b) In this respect:
- 1) the Committee, or one or more of its members appointed by it, shall be promptly involved in the negotiations phase and in the preliminary work phase receiving a complete, updated and timely flow of information, with the faculty to request information and to make observations to the appointed bodies and subjects in charge of conducting negotiations and preliminary work;
 - 2) the Committee may seek assistance, at the company's expense, from one or more Independent Experts of its choice, having checked the independence of the same in compliance with the provisions of the previous paragraph 4.2, lett. b(i);
 - 3) the report or documents approving the RPT, where applicable, contain suitable reasoning regarding the company's interests in carrying out the RPT and the monetary value and substantial correctness of the related conditions.
- c) The responsibility for resolving on the Transactions of Greater Importance is reserved to the Italgas' Board of Directors and the Directors Involved in the Transaction shall abstain from voting

²¹ “The issuer discloses to the public, as soon as possible, Inside Information directly concerning the issuer”.

²² See notes n. 18 and n. 19 above.

on it²³. The Board of Directors approves the Transaction of Greater Importance only after receiving the Control, Risk and Related Party Transactions Committee's reasoned favourable opinion²⁴ on the company's interest in concluding the RPT and on the substantive correctness of the underlying conditions. The opinion is annexed to the minutes of the Committee meeting at which it was given.

4.4 Transactions with Related Parties attributed to the shareholders' meeting

When a Transaction of Lesser Importance has to be resolved or authorized by the Shareholders' Meeting of Italgas, during investigations and approval of the proposed resolution to be submitted to the shareholders' meeting, insofar as applicable, the provisions of paragraph 4.2 shall apply.

When a Transaction of Greater Importance has to be resolved or authorized by the Shareholders' Meeting, during negotiations, investigations and approval of the proposed resolution to be submitted to the shareholders' meeting, the provisions laid down in the previous paragraph 4.3 shall apply.

4.5 Framework resolutions

Homogeneous Transactions, to be completed with the same Related Party, can be approved by adopting framework resolutions.

During investigations and approval of the framework resolution, on the basis of the expected maximum amount of the transactions subject to the resolution, considered cumulatively, the provisions set out in the previous Paragraphs 4.2 and 4.3, insofar as compatible, apply.

In any case, the framework resolutions shall not be effective for more than one year, shall refer to sufficiently determined RPTs and show at least the forecast maximum amount of RPTs to be performed during the reference period and the reasons for the envisaged terms.

The Chief Executive Officer of Italgas, with the support of the Head of the Internal Audit Department, sends the Board of Directors a full disclosure at least quarterly on the implementation of framework resolutions.

The additional provisions set out in the previous paragraphs 4.2 and 4.3 do not apply to the individual transactions concluded by implementing the framework resolution.

4.6 Cases of exclusion

Without prejudice to the provisions of art. 2391 of the Italian Civil Code and the procedure set out in the paragraph 5.1 below (where applicable), the procedures indicated in paragraphs 4.2, 4.3, and 4.4 and the public disclosure obligations in the subsequent paragraph 4.7, do not apply:

- 1) to the shareholders' meetings resolutions pursuant to article 2389, first subsection, of the Italian Civil Code, in relation to compensation due to members of the Board of Directors;
- 2) to resolutions on the compensation of directors assigned specific roles falling under the overall amount previously determined by the Shareholders' Meeting pursuant to article 2389, third subsection, of the Italian Civil Code;
- 3) to the shareholders' meetings resolutions pursuant to article 2402 of the Italian Civil Code, in relation to compensation due to members of the Board of Statutory Auditors;
- 4) to the Related-Party Transactions of Insignificant Amount identified as such by Annex 5 of this Standard;

²³ At the Board of Directors' meeting, the directors involved can suggest they do not participate in the discussion, leaving the meeting room.

²⁴See note no. 19 above.

- 5) to transactions resolved by the Company aimed at all shareholders under equal conditions, including:
 - (i) capital increases in option, also at the service of convertible debenture loans, and the free share capital increases envisaged by Article 2442 of the Italian Civil Code;
 - (ii) spin-offs in the strictest sense, both total and partial, with the criterion of proportional share attribution;
 - (iii) share capital reductions through the reimbursement of shareholders envisaged by Article 2445 of the Italian Civil Code and purchases of treasury shares pursuant to Article 132 of the CLF.

Without prejudice to the provisions of art. 2391 of the Italian Civil Code and the procedure set out in the subsequent paragraph 5.1 (where applicable), as well as the provisions of the Consob Regulation on public information on financial relations²⁵, the procedures indicated under paragraphs 4.2, 4.3 and 4.4 and other public information obligations referred to in Annex 6, Section I, point I of this Standard, referred to in the subsequent paragraph 4.8, do not apply:

- 6) to compensation plans based on financial instruments approved by the Shareholders' Meeting in accordance with Article 114-bis of the CLF and related executive operations;
- 7) to the resolutions regarding the compensation of Directors and Statutory Auditors holding special offices, other than those indicated in points 1, 2 and 3 of the paragraph above, and of other executives with strategic responsibilities, providing: (i) the company has adopted a remuneration policy approved by the Italgas shareholders' meeting; (ii) the Appointments and Compensation Committee has been involved in drawing up the remuneration policy; (iii) the established remuneration is identified in compliance with this policy and is quantified based on criteria that do not involve discretionary evaluations;
- 8) to Ordinary Transactions with Related Parties concluded at Equivalent to Market or Standard conditions. In these cases, if it is a Transaction of Greater Importance, the reporting obligations set out in article 17, para. 1, MAR still stand²⁶:
 - (i) the Corporate Affairs Department must inform Consob and the Independent Directors required to express the opinion referred to in the previous paragraph 4.3 of the counterparty, the subject and the consideration for the transactions that benefited from the exclusion, as well as the reasons why the transaction is deemed to qualify as an Ordinary Transaction concluded under Market-Equivalent or Standard Conditions, providing objective elements evidencing the fact; the communication is sent to Consob and the Independent Directors within the deadline of seven days from approval of the Transaction of Greater Importance by the competent body, if the competent body passes resolution in favour of presenting a contract proposal, from the moment the contract is concluded, even in preliminary form;
 - (ii) after notification of the Corporate Affairs Department, the interim report on operations and the annual report on operations, as part of the information provided for by the Consob Regulation on public information on financial relations²⁷ and reported in Annex 6, Section I, point 2 of this Standard, indicated which of the Transactions of Greater Importance subject to the information obligations provided for therein, were concluded making use of the exclusion provided for Ordinary Transactions under Market-Equivalent or Standard Conditions;
- 9) to RPTs with or between Subsidiaries, including jointly, and RPTs with associates of Italgas ("Associates") if in the Subsidiaries or Associates acting as counterparts in the transaction there

²⁵ Article 5, clause 8 of the Consob Regulation.

²⁶ See note 21.

²⁷ Article 5, clause 8 of the Consob Regulation.

are no interests, quantified as significant based on the criteria defined in Annex 4, section II of this Standard, of other Related Parties of the Company. Significant interests shall not be considered as those derived from the mere sharing of one or more directors or other managers with strategic responsibilities between the Company and its Subsidiaries or Associated Companies.

The Independent Directors required to express the opinion on Transactions of Greater Importance as per the previous paragraph 4.3:

- (i) receive, from the Corporate Affairs Department, at least once a year and with reference to Transactions of Greater Importance, information on the application of the cases of exemption referred to in the previous points of this paragraph;
- (ii) on the basis of the information received from the Corporate Affairs Department in accordance with the previous point 8 (i) of this paragraph, without delay they check the correct application of the exception conditions for Transactions of Greater Importance defined as Ordinary Transactions and concluded under Market or Standard Conditions. More specifically, the Chairman of the Committee within whose remit it falls each time, within 3 working days after receiving the information, calls the same Committee to carry out the aforementioned checks. Where deemed necessary or appropriate for the verification purposes within their remit, the Independent Directors may make requests for information to the Legal Department which is required to promptly respond to the requests received.

4.7 Public information obligations

Related-Party Transactions carried out by the Italgas Group shall be communicated to the public at the time of their completion and, periodically, as part of the interim report on operations and the annual report on operations.

The public is informed in compliance with the provisions of the Consob Regulations (in this regard see the content of [Annex 6](#) to this Standard).

4.8 Reporting to the Board of Directors and Board of Statutory Auditors

Information on the execution of all the Transactions with Related Parties (excluding those exempt from the application of this Standard) is provided by the Chief Executive Officer to the Board of Directors and Board of Statutory Auditors at least quarterly.

5. TRANSACTIONS INVOLVING THE INTERESTS OF THE DIRECTORS AND STATUTORY AUDITORS

5.1 Roles and authorisation procedure

In the case of Transactions in which a Director or a Statutory Auditor has an interest on his/ her own behalf or on behalf of third parties, the following provisions are applied.

Notwithstanding the contents of the previous provisions of this Standard, the Attorney-in-fact must also verify whether the transaction is carried out with a director and/or with a statutory auditor of Italgas and/or with a Subject of Interest.

In the event of a positive finding, the Attorney-in-fact must perform, with the support of the Corporate Affairs Department, an in-depth analysis and documented examination, during the preliminary work and resolution phase, of the grounds for the Transaction, clearly highlighting the interests of the Italgas Group, also taking into account the implications and advantages linked to belonging to the Italgas Group, as well as the value and equity of the conditions envisaged, in light of the objective and documented findings.

The reasons must be brought to the knowledge of the subject responsible for passing the resolution.

Before discussing each point on the agenda of the meeting:

- on the basis of the provisions of Article 2391 of the Italian Civil Code, all directors and statutory auditors are in any case required to report any interests they may have, on their own behalf or for third parties, in connection with the matters or issues at hand, specifying the relevant nature, terms, source and scope;
- if the transaction falls within the remit of the Italgas' Board of Directors, in any case the procedures referred to in the previous paragraph 4.2, letter b) apply²⁸, namely those provided for Transactions of Lesser Importance²⁹. At the Board of Directors' meeting, the directors involved do not take part in the relative resolution³⁰.

If the interest in the Transaction concerns the Chief Executive Officer and if the Transaction falls within his/her competence, he or she shall in any case abstain from taking part in the Transaction and shall entrust the matter to the Board of Directors (art. 2391 of the Italian civil code).

To ensure respecting for the investigation and resolution procedures envisaged by this article:

- directors and statutory auditors of Italgas, at least once a year and if changes are made, shall issue a statement setting out the potential interests of each of them in relation to the Italgas Group and in any case pointing out in good time to the Chief Executive Officer of Italgas (or the Chairman of Italgas, in the case of the Chief Executive Officer's interests) – who shall inform the other directors and the Board of Statutory Auditors – the individual Transactions that the Italgas Group intends to complete, in which they have interests;
- in this regard, it is specified that:
 - the evaluation of the directors and standing auditors is subjective;
 - the interest can be relevant even if it is indirect (e.g. through a close relative);
 - the declarations indicate the organizations, excluding the Subsidiaries and Associates of Italgas, in which the declaring party holds the positions of director, statutory auditor and other manager with strategic responsibility or with whom the declaring party in any case has a significant commercial, financial or professional relationship, with particular attention to the organisations that perform activities, even indirectly, in the same business sector as the Italgas Group.

5.2 Reporting to the Board of Directors and Board of Statutory Auditors

Information on the execution of all the Transactions involving the interests of directors or statutory auditors governed by this Standard is provided by the Chief Executive Officer to the Board of Directors and Board of Statutory Auditors of Italgas at least quarterly.

6. MONITORING COMPLIANCE OF THE STANDARD AND FINAL PROVISIONS

6.1 Monitoring compliance of the Standard

²⁸ All the information on such transactions is sent to the Control, Risk and Related Party Transactions Committee, or the Appointments and Compensation Committee on the basis of the relative competence indicated in the previous paragraph 4.1, in the terms set out in the previous paragraph 4.2, letter a).

²⁹ If the transaction also qualifies as a Related-Party Transaction, the Committee will issue a single opinion in accordance with the previous paragraphs 4.2 and 4.3, depending on whether it is, respectively, a Transaction of Lesser Importance or a Transaction of Greater Importance.

³⁰ At the Board of Directors' meeting, the directors involved can suggest they do not participate in the discussion, leaving the meeting room.

The Board of Statutory Auditors shall monitor compliance of this Standard with the law, the Bylaws and the principles indicated in the Consob Regulation, as well as their observance based on the information it receives pursuant to the previous paragraph 4.8 and shall report the findings in the report to the Shareholders' Meeting.

6.2 Final provisions

The Chief Executive Officer of Italgas shall implement the provisions of this Standard, even through implementing provisions which are transposed in line with the provisions of the Group's regulatory system.

The Standard and the relative amendments are approved by the Board of Directors having obtained the favourable opinion of the Control, Risk and Related Party Transactions Committee if made up of only Independent Directors, or of another committee set up specifically and made up of only Independent Directors, which meets in good time in view of the meeting at which the Board of Directors is required to express an opinion on the Standard and the subsequent amendments. The Chairman of the Board of Statutory Auditors or a standing auditor designated by the latter can attend the Committee meeting. The Committee's opinion is sent to the Board of Directors in good time to allow all the directors to examine it and thereby pass resolutions on the Standard in an informed way.

The Control, Risk and Related Party Transactions Committee shall assess, on a yearly basis, the adequacy of this Standard taking into account, inter alia, any amendments that have been made to the ownership structures, and the effectiveness of the procedures in application of the same, also with regard to the congruence of the relevance thresholds of the RPTs. At the end of the assessment, the Committee submits any revisions it deems necessary to the Board of Directors. In any case, at least every three years, the Board of Directors expresses its opinion on the adequacy of the Standard, subject to the opinion expressed in this regard by the Control, Risk and Related Party Transactions Committee.

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, can be made by the Legal Department, subject to assessment by the Committee itself, which shall inform the Board at the first available meeting.

This Standard shall be formally delivered to all statutory auditors, directors and other executives with strategic responsibilities of the Italgas Group and to all Attorneys-in-fact of the Italgas Group by the Legal Department, and published on the company intranet and on the Italgas website www.italgas.it and referred to in the annual report on operations.

7. CONSERVATION OF DOCUMENTATION AND RESPONSIBILITY FOR UPDATES

All the work documentation, arising from the application of this document, shall be conserved by the relevant Departments, in accordance with the timing and procedures laid down by the Italgas Enterprise System.

The updating of the document in question and the relative disclosure shall be ensured by the procedures laid down by the Italgas Enterprise System.

As part of a vertically integrated company, the Company is subject to the obligations of functional unbundling pursuant to the "Consolidated Law on Functional Unbundling" ("TIUF") adopted by the Italian Regulatory Authority for Energy, Networks and the Environment ("ARERA"), with resolution no. 296/2015/R/com of 22 June 2015. It is also subject to the obligations of accounting separation pursuant to the "Consolidated Law on Accounting Unbundling" ("TIUC") set out by ARERA Resolution no. 137/2016/R/com of 24 March 2016.

This procedure is always applied in accordance with the obligations and purposes of the unbundling regulations. In particular, the Commercially Sensitive Information and the information relating to distribution infrastructure are processed in respect of the procedure on Access to commercially sensitive information and related annexes.

8. LIST OF ANNEXES

Annex		Responsible for Updates
1	Consob Regulation	Legal Compliance Department
2	Consob Communication	Legal Compliance Department
2-bis	Definitions of “Related Parties” and “Related Party Transactions” and definitions functional thereto in accordance with the International Accounting Standards in force on 14 June 2021	Legal Compliance Department
3	Related Parties mapping request form	Legal Compliance Department
4	Identification of the transactions of greater importance with related parties and significance ratios of the interests of other related parties of Italgas in transactions with or between subsidiaries or associates	Legal Compliance Department
5	Identification of transactions of negligible value	Legal Compliance Department
6	Public disclosure obligations involving related-party transactions and Information Document on transactions of greater importance with related parties	Legal Compliance Department
7	External references	Legal Compliance Department