

Italgas S.p.A.

ORDINARY SHAREHOLDERS' MEETING OF 26 APRIL 2022

SINGLE CALL

**Report by the Board of Directors on the proposals concerning the items on the agenda of the
Shareholders' Meeting**

Item 5

“Appointment of the Board of Statutory Auditors.

5.1 Appointment of the members of the Board of Statutory Auditors.

5.2 Appointment of the Chairman of the Board of Statutory Auditors.

5.3 Determination of the remuneration of the Chairman of the Board of Statutory Auditors and of the Standing Auditors”.

Dear Shareholders,

This Report has been drawn up in accordance with art. 125-*ter*, subsection 1, of Legislative Decree no. 58 of 24 February 1998 as subsequently amended (the "CLF") and art. 84-*ter* of the Regulations adopted with Consob Resolution no. 11971 of 14 May 1999 as subsequently amended and supplemented (the "**Issuers' Regulations**").

This Report was approved by the Board of Directors at the meeting on 9 March 2022 and is made available to the public, as established by law and regulations, at the company's registered office, on the Company's website (www.italgas.it), and by other means as required by current legislation.

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The term of office of the Board of Statutory Auditors of Italgas S.p.A. (the "**Company**" or "**Italgas**") appointed by the Shareholders' Meeting of 4 April 2019, expires with the approval of the financial statements for the year ended 31 December 2021. Therefore, the Board of Directors calls on you to proceed with the appointment of the new control body in compliance with the applicable regulatory and bylaw provisions.

That being said, the content of the main applicable provisions and Bylaw clauses that govern the composition, duration of office and procedure for appointing members of the Company's Board of Statutory Auditors are set out below.

1.1 Composition and term of office of the Board of Statutory Auditors.

Pursuant to art. 20 of the company Bylaws (the "**Bylaws**"), the Board of Statutory Auditors is composed of 3 standing members and 2 alternate members.

All members of the Board of Statutory Auditors must satisfy the independence requirements established in art. 148, subsection 3, of the CLF.

The composition of the Board of Statutory Auditors shall also ensure a gender balance in compliance with currently applicable regulations; in this regard, it should be noted that – without prejudice to the Bylaw provisions on the composition of the slates (see paragraph 1.2 below), pursuant to Article 148, subsection 1-*bis* of the CLF, the lesser represented gender must obtain at least two-fifths of the effective members of the Board of Statutory Auditors, rounded down to the nearest whole number, pursuant to Article 144-*undecies*.1, subsection 3 of the Issuers' Regulations.

Note that, without prejudice to the incompatibilities provided for by law, persons who do not satisfy the integrity and professionalism requirements laid down by Ministry of Justice Decree No. 162 of 30 March 2000 and the Bylaws may not be elected as members of the Board of Statutory Auditors. For the purposes of application of the same decree and as provided for by art. 20.1 of the Bylaws, matters strictly pertaining to the Company's business are commercial law, business administration and corporate finance, and the sector closely related to the Company's activity is the engineering and geological sector.

Moreover, those who do not comply with the limits on the accumulation of administration and control offices may not be appointed as members of the Board of Statutory Auditors, as laid down by law and current and applicable regulations (articles 144-*duodecies* ff. of the Issuers' Regulations).

The Statutory Auditors of Italgas, moreover, may not hold offices in administrative or control bodies or in managerial positions at ENI S.p.A. and its subsidiaries, nor can they entertain any direct or indirect, professional or financial relationship with the aforementioned companies, as also provided for by the decree of the President of the Council of Ministers of 25 May 2012 containing “*Criteria, conditions and terms for the adoption of the model for the demerger of Snam in accordance with article 15, of Law no. 27 of 24 March 2012.*”

Following the opinion of the Appointments and Compensation Committee of 24 January 2019, on the same date the Board of Directors also approved the “Policy for the diversity of corporate bodies” (most recently updated by resolution on 25 January 2021). This policy, which contains some criteria aimed at encouraging diversity in the composition of the corporate bodies, may be consulted on the Company’s website www.italgas.it (“*Governance*” – “*Board of Directors*” section).

Finally, it is stated that, pursuant to law, the Board of Statutory Auditors being appointed shall remain in office for three fiscal years and shall therefore expire on the date of the Shareholders' Meeting called to approval the financial statements for the year ended 31 December 2024.

1.2 Submission of slates of candidates for the office of statutory auditor.

The Board of Statutory Auditors shall be appointed on the basis of slates submitted by the Shareholders, in which candidates must be listed by means of a progressive number and in a number that does not exceed the number of members of the body to be elected. The slate must be divided into two sections: one for candidates for the office of standing auditor, the other for candidates for the office of alternate auditor. At least the first

candidate in each section must be enrolled in the register of external auditors and have worked on legal audits for a period of not less than three years.

To ensure compliance with the current regulations on gender balances mentioned above, slates which – considering both sections – contain a number of candidates equal to or greater than 3 and compete for appointment to the majority of the members of the Board of Statutory Auditors, must include, in the standing auditor section, candidates of different genders. Moreover, the Bylaws state that, if the alternate auditor section of said slates lists two candidates, they must be two different genders.

Under the combined provisions of art. 20.3 of the Bylaws and Management Decision no. 60 of 28 January 2022 of the Head of the Corporate Governance Division, slates may be presented by shareholders who own, alone or jointly with others, an equity investment of at least 1% of the share capital. In this regard, note that ownership of the minimum equity investment necessary to submit a slate is determined in consideration of the shares registered to the Shareholder on the date on which the slates are filed at the Company.

Each Shareholder may present or may participate in the presentation of just one slate, and may vote for just one slate. Adhesions and votes cast in violation of this prohibition shall not be attributed to any slate. Moreover, each candidate must submit his/her candidacy on a single slate, under penalty of ineligibility.

The slates must be filed at the registered office of Italgas by mail (registered mail with return receipt) sent to the following address: Italgas S.p.A. – Via Carlo Bo 11, 20143 Milan c/o Company Secretary (26 April 2022 Shareholders' Meeting slates for appointment of the Board of Directors and the Board of Statutory Auditors) or delivered by hand from Monday to Friday from 8 a.m. to 6 p.m. to the same address, or sent by certified email to italgas.assemblea@pec.italgas.it or by e-mail to segreteria@societaria@italgas.it, at least 25 days prior to the date of the Shareholders' Meeting in a single call to pass resolution on the appointment of the members of the Board of Directors and Board of Statutory Auditors (i.e. by 1 April 2022).

In the event that a sole slate – or slates submitted by shareholders with relationships of affiliation between themselves pursuant to Article 144-*quinquies* of the Issuers' Regulations – is filed at the indicated deadline, additional slates may be submitted up to the third day following the original expiry date (i.e. up until 4 April 2022), without prejudice to Article 147-*ter*, subsection 1-*bis*, last sentence, of the CLF. In this case the aforementioned threshold of 1% required shall be reduced to half and it shall therefore be 0.5% of the share capital.

The following must be filed together with each slate: (i) information on the identity of the shareholders who have submitted the slates, indicating the total percentage of share capital held; (ii) a declaration by the shareholders other than those who hold (even jointly) a controlling or relative majority interest, certifying the absence of any affiliation referred to in Article 147-*ter*, subsection 3 of the CLF, of Article 144-*quinquies* of the Issuers' Regulations; (iii) a *curriculum vitae* containing exhaustive information on the professional characteristics of each candidate, highlighting any administration and control positions held in other companies, as well as declarations whereby the individual candidates accept the nomination and undertake – if appointed – to accept the position and certify, under their own responsibility, that there are no grounds for incompatibility or ineligibility as provided for in article 2382 of Civil Code and disqualifications from the office of director adopted against them in a Member State of the European Union pursuant to article 2383, section 1, of Civil Code, and that they meet the regulatory and Bylaw requirements for their respective positions.

Those who have submitted slates must also file a copy of the certifications issued by duly empowered intermediaries certifying ownership of the number of shares necessary to submit said slates, within the terms and following the procedures indicated in current regulations.

In this regard, it is specified that these certifications may also be produced after the filing of the slates, provided that it is by 5 April 2022 at 6:00 pm.

In compliance with the provisions on this matter, at least 21 days prior to the date of the Shareholders' Meeting in a single call (that is, by 5 April 2022), the Company shall make available to the public at the Company's

registered offices, on the authorised storage mechanism “eMarket STORAGE” at the address [emarketstorage.com](https://www.emarketstorage.com) and on the website of Italgas <https://www.italgas.it/it/> (“Governance” “Shareholders’ Meeting” - “2022 Shareholders’ Meeting” section) the slates of candidates, together with the documentation filed with them.

1.3 Procedure for appointing members of the Board of Statutory Auditors.

Pursuant to the Bylaws, two standing auditors and one alternate auditor shall be drawn from the slate that has obtained the majority of votes; the other standing auditor and the other alternate auditor shall be appointed in accordance with the procedures set out in Article 13.5, letter b) of the Bylaws and in paragraph 1.4 (Procedures for the appointment of members of the Board of Directors), letter b) of the explanatory report on item 4 on the agenda (regarding the appointment of the Board of Directors, available on the Italgas website: <https://www.italgas.it/it/>, Section “Governance” - “Shareholders’ Meeting” - “Shareholders’ Meeting 2022”), to be applied distinctly to each of the sections in which the other slates are articulated..

If according to the above mentioned procedure it is not possible to ensure the compliance with the law on gender representation for the standing auditors, the quotient of votes to be attributed to each candidate taken from the standing auditor sections of the different slates shall be calculated by dividing the number of votes obtained in each slate by the order number of each of these candidates; the candidate of the most represented gender with the lowest quotient among the candidates taken from all the slates shall be replaced by the candidate of the least represented gender (with the highest consecutive number) from the same standing auditor section of the slate of the replaced candidate, or, failing this, from the alternate auditor section of the same slate as the replaced candidate (who, in this case, takes the place of the alternate auditor he/she has just been replaced by). If this procedure fails to ensure the compliance with the law on gender representation, the candidate is replaced by the person appointed by the Shareholders’ Meeting with the majority of votes set by the law, in such a way as to ensure that the composition of the Board of Statutory Auditors complies with the law and with the Bylaws. Where candidates from different slates have obtained the same quotient, the candidate from the slate from which the greater number of Statutory Auditors has been taken shall be replaced, or, if these numbers of Statutory Auditors are the same, the candidate taken from the slate with the fewest

votes shall be replaced, or, if the number of votes is the same, the candidate who receives the fewest votes in a dedicated resolution by the Shareholders' Meeting shall be replaced.

For the appointment of standing auditors, who, for any reason, are not appointed in accordance with the procedures described above, the Shareholders' Meeting resolves by legal majority, in order to ensure that the composition of the Board of Statutory Auditors is compliant with the law and the Articles of Association.

1.4 Appointment of the Chairman of the Board of Statutory Auditors.

Pursuant to art. 20.3 of the Bylaws, the Shareholders' Meeting shall appoint as Chairman of the Board of Statutory Auditors the standing auditor elected with the procedures set out in art. 13.5, letter b) of the Bylaws, from the Minority Slate, already described under letter b) of paragraph 1.4 (*Procedure for appointing members of the Board of Directors*) of the explanatory report on item 4 on the agenda.

1.5 Remuneration due to the Chairman and the members of the Board of Statutory Auditors.

Finally, Shareholders are called to resolve on the annual remuneration due to members of the Board of Statutory Auditors for the entire duration of their office pursuant to art. 2402 of the Italian Civil Code. They also receive reimbursement for expenses incurred in connection of their duties.

In this regard, the Board of Directors – without prejudice to the Shareholders' right to submit additional and different resolution proposals – proposes to confirm the current gross annual compensation due to the Chairman of the Board of Statutory Auditors and to each Standing Auditor at 70,000 euros and 45,000 euros respectively, plus reimbursement of the expenses incurred.

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Recommendations to Shareholders submitting a slate

The Board invites:

- Shareholders submitting their own slates of candidates for the appointment of the control body, to ensure that such slates are accompanied by all information necessary for shareholders to cast their votes in an informed manner, including an indication of the candidate they intend to propose at the Meeting as Chairman of the Board of Statutory Auditors (if drawn from that slate);
- Shareholders submitting a slate of candidates exceeding half the number of members, to put forward – and send to the certified email address “italgas.assemblea@pec.italgas.it” – any proposals for the appointment of the control body (remuneration), well in advance so that such proposals may be published by the Company at the same time as the slates.

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Dear Shareholders,

You are therefore invited to resolve as follows.

- (i) In relation to point 5.1 “Appointment of the members of the Board of Statutory Auditors”:
you are invited to vote for one of the slates presented and published pursuant to the provisions of law and of the Bylaws.
- (ii) In relation to point 5.2 “Appointment of the Chairman of the Board of Statutory Auditors”:
the Standing Auditor indicated in the minority shareholders’ slate who obtains the greatest number of votes shall become the Chairman of the Board of Statutory Auditors.

If, for any reason, there are no minority slates and/or no Auditors are appointed by way of the slate vote, you are invited to appoint as Chairman of the Board of Statutory Auditors the candidate proposed by the Shareholders, who shall be elected pursuant to the Law and the Bylaws.
- (iii) In relation to point 5.3 “Determination of the remuneration of the Chairman of the Board of Statutory Auditors and of the Standing Auditors”:

you are invited to approve the proposal to fix the gross annual compensation due to the Chairman of the Board of Statutory Auditors and each Standing Auditor, respectively, in 70,000 euros and 45,000 euros, plus reimbursement of the expenses.

Milan, 9 March 2022

The Chairman of the Board of Directors

Mr Alberto Dell'Acqua