

2022

Report on Corporate
Governance and
Ownership Structure

Issuer: Italgas S.p.A.
Website: <http://www.italgas.it/>
Financial year to which the Report refers: 2021
Report approval date: 9 March 2022



2022 | Report on Corporate Governance and Ownership Structure

Pursuant to Article 123-bis of Legislative Decree no. 58 of 24 February 1998
(traditional administration and control model)



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Glossary

Shares:	the ordinary shares issued by Italgas.
Borsa Italiana:	Borsa Italiana S.p.A.
CDP:	Cassa Depositi e Prestiti S.p.A.
CDP Reti:	CDP Reti S.p.A., a company subject to direction and coordination by CDP.
CEO or Chief Executive Officer	main person responsible for the management of the company, in charge of setting up and maintaining Italgas' Internal Control and Risk Management System.
Antitrust Code:	the Antitrust Code of Conduct adopted by the Board of Directors on 18 October 2016 and updated on 27 July 2020 (following such latest update renamed the "Antitrust and Consumer Protection Code of Conduct").
Italian Civil Code/ c.c.:	the Italian Civil Code, approved through Royal Decree no. 262 of 16 March 1942 (as later amended).
Corporate Governance Code	the Corporate Governance Code approved in January 2020 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., the ABI, Ania, Assogestioni, Assonime and Confindustria.
Code of Ethics	the Code of Ethics adopted by the Board of Directors on 18 October 2016 and updated on 24 January 2019, as well as on 16 December 2021.
Associates/Associate Companies:	the following associate companies of Italgas pursuant to the applicable regulations: <ul style="list-style-type: none"> Metano Sant'Angelo Lodigiano S.p.A.; Umbria Distribuzione Gas S.p.A.; Enerpaper S.r.l.; Gesam Reti S.p.A.; Valdarno S.r.l.
Committees:	the Committees set up within the Board of Directors pursuant to Article 13.8 of the By-Laws.
Board/Board of Directors:	the Board of Directors of Italgas.
Subsidiaries/Subsidiary Companies:	the following subsidiaries of Italgas pursuant to the applicable regulations: <ul style="list-style-type: none"> Italgas Reti S.p.A.; Italgas Acqua S.p.A.; Italgas Newco S.r.l.; Seaside S.p.A.; Medea S.p.A.; Gaxa S.p.A.; Toscana Energia S.p.A.; Bludigit S.p.A.; Fratelli Ceresa S.p.A.

Officer responsible:	the Officer responsible for the preparation of financial reports pursuant to Article 154-bis of the CLF.
Issuer or the Company or Italgas:	Italgas S.p.A.
Financial year:	the Italgas financial year ended 31 December 2021 to which the Report refers.
Group/Italgas Group:	the group pertaining to Italgas, which, in addition to Italgas, includes Italgas Reti S.p.A., Italgas Newco S.r.l Italgas Acqua S.p.A., Seaside S.p.A., Medea S.p.A., Gaxa S.p.A., Toscana Energia S.p.A. Bludigit S.p.A. and Fratelli Ceresa S.p.A.
Model 231:	the organisational and management model adopted by the Company pursuant to Legislative Decree no. 231 of 8 June 2001 (Rules governing administrative responsibility of legal entities, companies and associations, including those without legal personality).
Unbundling Regulation:	<p>the legal provisions on functional, ownership and accounting unbundling that apply to all Italian businesses in the electricity and gas sectors, including (merely by way of example):</p> <ul style="list-style-type: none"> Directive 2009/73/EC; Legislative Decree no. 93 of 1 June 2011; Prime Ministerial Decree of 25 May 2012 concerning "Criteria, terms and conditions for the adoption by Snam S.p.A. of the ownership unbundling model pursuant to Article 15 of Law no. 27 of 24 March 2012"; resolution of 22 May 2014 (231/2014/R/com) of the Electricity, Gas and Water System Authority; Consolidated Law on Functional Unbundling ("TIUF"), annexed to resolution 296/2015/R/com of the Regulatory Authority for Energy, Networks and the Environment.
Italgas Separation Transaction:	the entire transaction of the industrial and corporate reorganisation of Snam, executed on 7 November 2016, aimed at separating the gas distribution business in Italy, carried out by Italgas, from the LNG, transportation, dispatching and storage businesses in Italy and abroad.
Supervisory Body:	the body called upon to supervise the operation of and compliance with Model 231 and to deal with its updating.
Italgas Shareholders' Agreement:	the shareholders' agreement signed on 20 October 2016 by Snam, CDP Reti and CDP Gas, as later amended.
SGEL Shareholders' Agreement:	the shareholders' agreement signed on 27 November 2014 by CDP, on the one hand, and State Grid Europe Limited and State Grid International Development Limited, on the other, amended and supplemented on 7 November 2016, with effect from such date.
Diversity of Corporate Bodies Policy	the policy describing, including pursuant to art. 123-bis, letter d-bis, CLF, company policies on diversity (as well as the relative objectives and methods of implementation), approved by the Board of Directors on 24 January 2019 after consulting the Appointments and Compensation Committee and subsequently updated on 25 January 2021.
Policy on dialogue with all shareholders	the "Policy for managing dialogue with all shareholders" adopted on 18 December 2020 by the Board of Directors at the proposal of the Chairman in agreement with the Chief Executive Officer, so as to encourage a frank and constant dialogue with all the Company Shareholders and in compliance with the recommendations made by the New Corporate Governance Code (art. 1., Recommendation 3).

Market Abuse Procedure:	the market abuse procedure approved by the Board of Directors on 5 September 2016 and subsequently updated on 30 May 2017 and replaced on 13 December 2018 by the inside information, Insider List and internal dealing procedures.
Italgas Related-Party Transactions Procedure:	the procedure on transactions involving the interests of directors and statutory auditors and related-party transactions approved by the Board of Directors on 18 October 2016 and updated on 14 December 2017, and most recently on 14 June 2021.
Whistleblowing Procedure:	the procedure that establishes a codified system for the collection, analysis, verification and reporting of notifications, anonymous or otherwise, received by Italgas and its subsidiaries, respectively approved and updated by the Board of Directors on 18 October 2016 and 17 December 2019.
Shareholders' Meeting Regulation:	the Regulation of the Shareholders' Meetings adopted by the Ordinary Shareholders' Meeting on 4 August 2016.
Issuers' Regulations:	the Regulation issued by Consob through Resolution no. 11971 of 1999 (as later amended) on the subject of issuers.
Market Regulation:	the Regulation issued by Consob through Resolution no. 20249 of 2017 (as later amended) on the subject of markets.
Consob Related-Party Regulation:	the Regulation issued by Consob through Resolution no. 17221 of 12 March 2010 (as later amended) on related-party transactions, implementing Article 2391-bis of the Italian Civil Code.
Report:	the report on corporate governance and the ownership structure of Italgas pursuant to Article 123-bis of the TUF.
SGEL:	State Grid Europe Limited.
SGID:	State Grid International Development Limited.
Internal Control and Risk Management System:	the internal control and risk management system adopted by Italgas pursuant to Article 6 of the Corporate Governance Code.
Corporate Reporting Internal Control System/SCIS:	the internal control and risk management system in relation to the financial and non-financial reporting process of the Italgas Group.
Snam:	Snam S.p.A.
By-Laws:	the by-laws of Italgas S.p.A.
Consolidated Law on Finance/CLF:	Legislative Decree no. 58 of 24 February 1998 (as later amended).

Introduction

This Report, approved by the Board of Directors of Italgas on 9 March 2022, sets out to provide a general overview of the corporate governance system adopted by the Company and, specifically:

- | in **chapter 1** describes the profile of the Issuer (values and mission, history, sustainability, etc.);
- | in **chapter 2** provides information on the ownership structure;
- | in **chapter 3** provides information on compliance with the Corporate Governance Code;
- | in **chapter 4 et seq.**, provides information on corporate governance, on the main characteristics of the Internal Control and Risk Management System, including in relation to the financial reporting process and, more generally, on the main governance practices applied.

The Report is preceded by an “Executive Summary” indicating the main elements of the corporate governance system.

The information contained in this Report refers to the financial year 2021 (i.e. the Financial Year) and, in relation to specific matters, has been updated as at 9 March 2022, which is the date of the Board meeting that approved it.

The Report has been prepared taking into account, inter alia:

- i. the applicable regulations (including art. 123-bis CLF “Corporate Governance and Ownership Structure Report”);
- ii. the Corporate Governance Code (see Chapter 3);
- iii. Borsa Italiana’s “Format of the Corporate Governance and Ownership Structure Report” (IX Edition of January 2022).

This Report is published and available for consultation on the Company’s website: <https://www.italgas.it/it/governance/>.

Contacts

Italgas values feedback from its investors and constantly seeks to create a constructive dialogue to ensure the continuous improvement of Italgas in various aspects. We therefore invite the reader to use the contacts indicated to request clarification or make enquiries:

Investor Relations Office

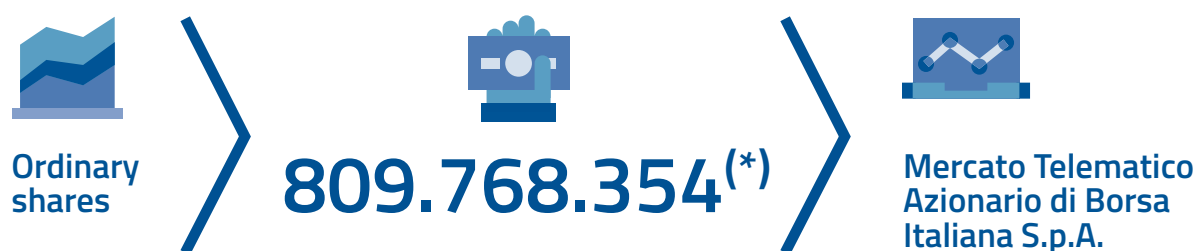
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Corporate Secretariat

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Executive Summary

Structure of the Share Capital



Significant shareholdings

Declarant	Direct shareholder	Proportion of ordinary share capital (%)	Proportion of voting share capital (%)
CDP	CDP Reti	26.02	26.02
	Snam	13.49	13.49
	Total	39.51	39.51
Lazard Llc	Lazard Llc	9.2	9.2
Romano Minozzi	Granitifiandre S.p.A.	0.025	0.025
	Finanziaria Ceramica Castellarano S.p.A.	0.22	0.22
	Iris Ceramica Group S.p.A.	1.89	1.89
	Romano Minozzi	2.14	2.14
	Total	4.29	4.29
Blackrock Inc	Blackrock Inc.	4.8	4.8
.Credit Agricole S.A.	Credit Agricole S.A.	3.4	3.4

(*) Note that following the capital increase carried out by the Board of Directors of the Company on 9 March 2022 through the issue of 477,364 new shares intended for beneficiaries of the 2018-2020 Co-Investment Plan, the share capital amounts to 1,002,608,186.28 euros made up of 810,245,718 shares.



Significant Shareholders' agreement

Italgas Shareholders' Agreement

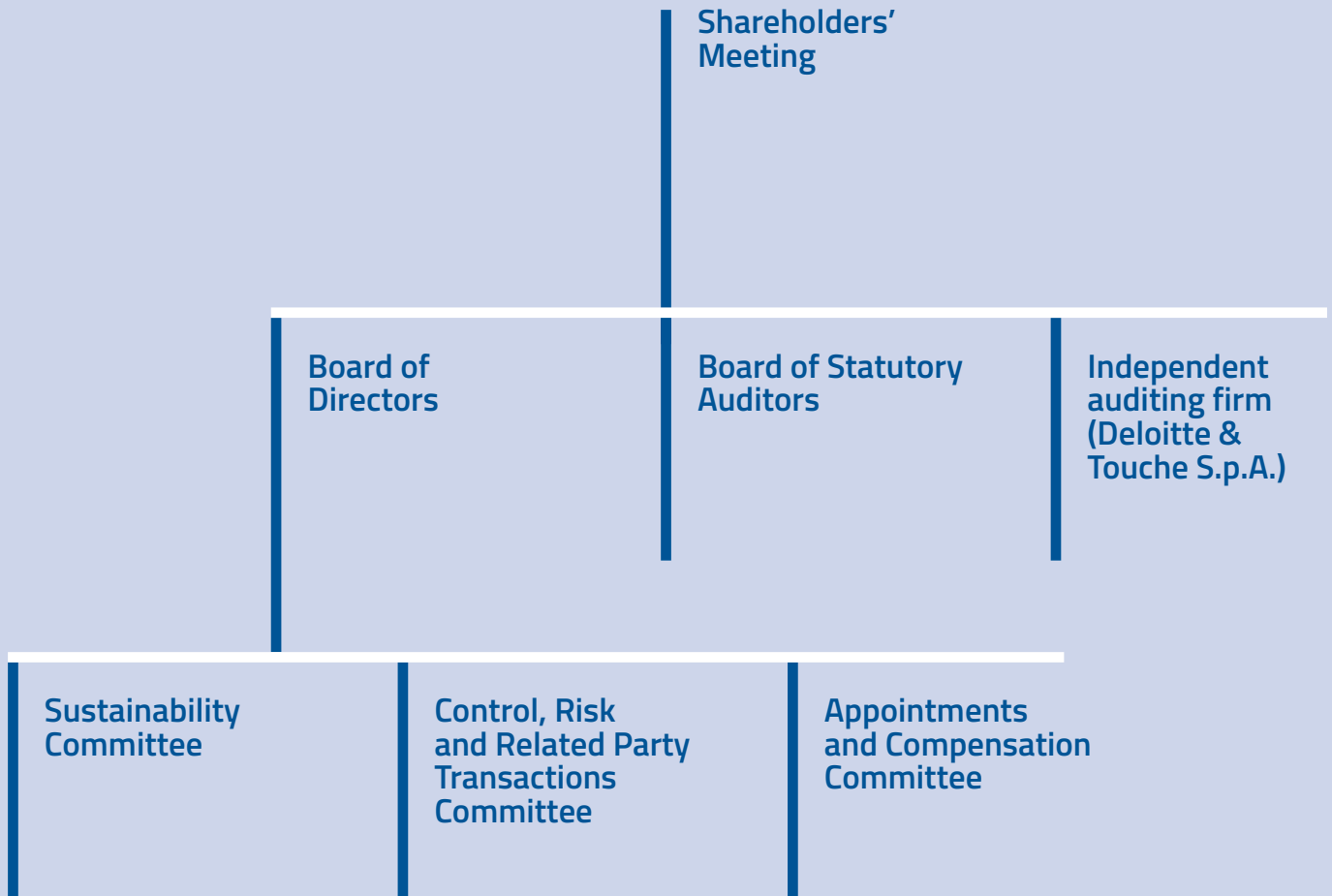
- | Snam
- | CDP Reti

SGEL Shareholders' Agreement

- | CDP
- | State Grid Europe Limited ("SGEL")
- | e State Grid International Development Limited ("SGID")



Corporate Governance





Composition of the Board of Directors

**Alberto
Dell'Acqua**

Non-executive
Independent Chairman

**Paolo
Gallo**

Chief Executive
Officer

**Yunpeng
He**

Non-Executive Director*

**Paola
Annamaria
Petrone**

Non-executive
Independent Director

**Maurizio
Dainelli**

Non-Executive
Director

**Giandomenico
Magliano**

Non-Executive
Independent Director

**Veronica
Vecchi**

Non-Executive
Independent Director

**Silvia
Stefini**

Non-Executive
Independent Director

**Andrea
Mascetti**

Non-Executive
Independent Director

(*) Following the resignation of Mr Yunpeng He on 11 January 2022, with effect from the appointment of his replacement, the Board of Directors on 27 January 2022 co-opted Mr Qijing Shen as a non-executive and non-independent director of the Company, who is therefore in office at the date of approval of this Report.



Composition of the internal Committees of the Board of Directors

Appointments and Compensation

| Andrea Mascetti
(Chairman)
| Maurizio Dainelli
| Silvia Stefini

Sustainability

| Giandomenico Magliano
(Chairman)
| Yunpeng He*
| Veronica Vecchi

Control, Risk and Related Party Transactions

| Paola Annamaria Petrone
(Chairman)
| Giandomenico Magliano
| Silvia Stefini

(*) Following the resignation of Mr Yunpeng He, on 27 January 2022 the Board of Directors also appointed Mr Qinjing Shen as a member of the Sustainability Committee, who is a member of the same Committee at the date of approval of this Report.



Composition of the Board of Statutory Auditors

Pierluigi Pace

Chairman

Maurizio Di Marcotullio

Standing Auditor

Marilena Cederna

Standing Auditor

Stefano Fiorini

Alternate Auditor

Giuseppina Manzo

Alternate Auditor



1.0 | Profile of the Issuer

1.1 Introduction

On 7 November 2016 Italgas, after 13 years of absence, returned to the Italian share market through listing on the Borsa Italiana FTSE MIB index.

The new listing process went through a structured and complex journey which led to the equity holdings in the operating companies focused on the gas distribution business moving from the previous parent company Snam to a new independent entity which became known as Italgas S.p.A. This new entity was established on 1 June 2016 with the name of ITG Holding S.p.A. and its registered office is currently in Milan, Via Carlo Bo, 11, VAT registration and Milan Business Register number 09540420966; it is part of the "Italgas VAT Group" under number 10538260968.

Taking into consideration the specific nature of the businesses and the various development opportunities in the respective market contexts, Snam and Italgas chose to separate in order to strengthen both companies and create further value for shareholders and stakeholders.

The Group now comprises, in addition to the parent company Italgas, (i) Italgas Reti S.p.A. (formerly Italgas), Italgas Acqua S.p.A.¹, Seaside S.p.A.², which in turn owns 10% of the share capital of Enerpaper S.r.l., Gaxa S.p.A.³, Toscana Energia S.p.A.⁴, Bludigit S.p.A.⁵ and Italgas Newco S.r.l.⁶, controlled directly by Italgas and (ii) Medea S.p.A.⁷, controlled by Italgas through Italgas Reti S.p.A. and Fratelli Ceresa S.p.A.⁸, controlled by Italgas through Seaside S.p.A. Lastly, Italgas Reti S.p.A. holds 15% of Reti Distribuzione S.r.l.⁹.

The companies not included in the scope of consolidation also include the 50% stake in Metano Sant'Angelo Lodigiano

S.p.A., the 45% stake in Umbria Distribuzione Gas S.p.A. as well as Gesam Reti S.p.A. and Valdarno S.r.l. in which Toscana Energia S.p.A. holds respective stakes of 42.96% and 30.05%.

The Italgas Group, including its own investee companies, as at 31 December 2021, managed over 74 thousand km of network and more than 8.7 million gas re-delivery points, served in 1,898 municipalities under licenses, and its market share in the gas distribution business in terms of redelivery points was more than 35%.

Finally, in compliance with the "Invitation for Expressions of Interest" published on 9 December 2019, as part of the privatisation process initiated by the Greek government, an expression of interest in the acquisition of 100% of the capital of DEPA Infrastructure S.A. ("**Depa Infrastructure**") was submitted on 20 February 2020. The assets transferred include more than 420,000 re-delivery points in Greece and around 5,000 km of low-pressure networks. On 3 June 2020 the inclusion of Italgas in the short list of subjects admitted to the next phase of the tender for the acquisition was confirmed. On 15 July 2021, in compliance with the request to submit binding offers for the acquisition of 100% of DEPA Infrastructure, originally dated 7 August 2020, as subsequently amended, Italgas submitted its binding offer for the acquisition of 100% of DEPA Infrastructure's capital.

At the beginning of September 2021, Italgas was selected as "Preferred Bidder" in the above-mentioned international tender

¹ Incorporated on 1 January 2018 after the partial and proportional demerger of the water company branch of Italgas Reti S.p.A.

² Acquired on 13 March 2018 together with its 100% subsidiary White 1 S.r.l., subsequently merged by incorporation into Seaside on 16 October 2018, with legal effect as of 18 October 2018. On 26 April 2021, the merger by incorporation of Toscana Energia Green S.p.A. into Seaside was completed. The accounting and tax effects of the operation start from 1 January 2021, while legal effects start from 1 May 2021. It follows that Seaside's share capital is currently divided between Italgas, which holds 67.22%, and Toscana Energia, which holds the remaining 32.78%. On 2 August 2021, Seaside's Extraordinary Shareholders' Meeting approved the transformation from a limited liability company (S.r.l.) to a joint stock company (S.p.A.).

³ Gaxa S.p.A. (formerly Gaxa S.r.l. and before that, Medea Newco S.r.l.) was set up on 7 May 2019 and was the beneficiary company in the partial demerger of the sales business unit by Medea S.p.A., with effect as of 1 December 2019. On 15 November 2019, the Shareholders' Meeting of Medea Newco S.r.l. resolved to change its name to Gaxa S.r.l. and on 18 December 2019, resolved to change the company to a joint-stock company with consequent change of company name and increase of the share capital. On the same date the Luxembourg fund Marguerite Gas IV S.à r.l. purchased 48.15% of the share capital.

⁴ As a result of the purchase of 0.58% of the share capital of Toscana Energia S.p.A. from Banca Monte Paschi Siena S.p.A. and of 1.98% from five Tuscan municipalities, respectively completed on 20 May 2019 and 1 October 2019, Italgas S.p.A. came to hold a stake of 50.66% in the company.

⁵ On 16 June 2021, as a result of the partial and proportional demerger of Italgas Reti, the company Newco ICT S.p.A. was established in order to rationalise the activities and assets of the Italgas Group in the IT area, and to propose a commercial offer of IT services, opening up collaborations with third parties to the Italgas Group. On 29 June 2021, the transaction to rationalise Italgas Group's IT assets was completed with the capital increase of the company Newco ICT S.p.A. to service the contribution in kind of the IT business unit on the part of Italgas S.p.A. On the same date, the company changed its name to Bludigit S.p.A.

⁶ Established on 26 June 2020.

⁷ Purchased on 6 April 2018, company participating in the partial demerger operation of the sales business unit to Gaxa S.p.A. (See note 3), in compliance with Unbundling Legislation. On 18 December 2019, Marguerite Gas III S.à r.l. purchased 48.15% of the share capital of Medea S.p.A. Following the framework agreement signed between Italgas and CONSCOOP on 28 December 2020, on 13 July 2021 Italgas, through its subsidiary Medea, completed the acquisition of the entire share capital of Isgastrentatrè S.p.A., a company operating in the natural gas distribution sector in Sardinia. On 28 January 2021, as part of the same agreement, the acquisition of the concession for the distribution of natural gas in the municipality of Olevano sul Tusciano (SA) was concluded. The network extends for about 26 kilometres to cover a potential catchment area of a total of 2,500 resident households. Isgastrentatrè S.p.A. was merged by incorporation into Medea S.p.A. with legal effects from 9 November 2021 and tax and accounting effects from 14 July 2021.

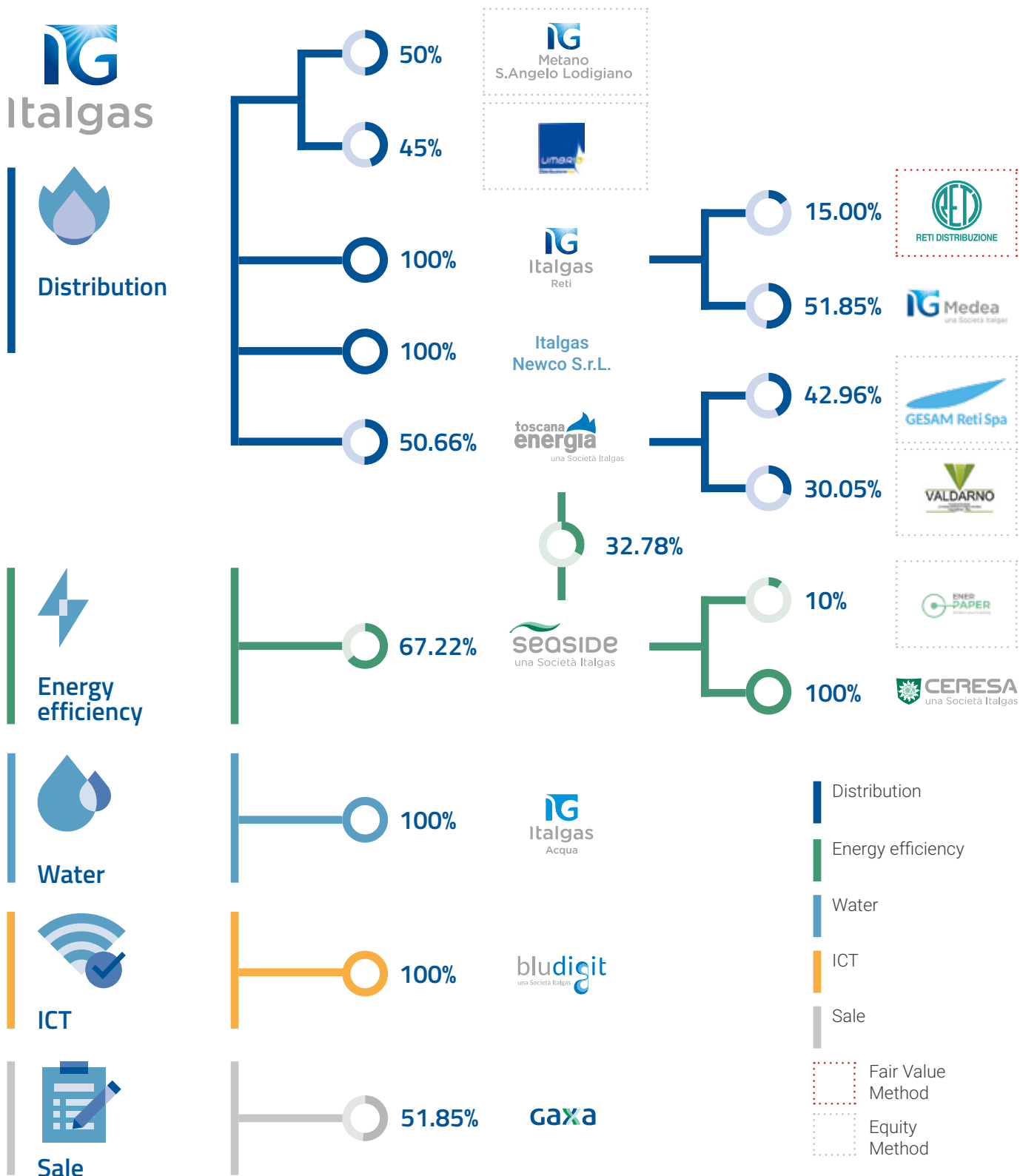
⁸ On 1 December 2021, Seaside completed the acquisition of 100% of the share capital of Fratelli Ceresa S.p.A., a company specialising in the provision of energy services. Fratelli Ceresa S.p.A. has a significant portfolio of 3,700 clients, in over 800 condominiums, mainly located in the Turin area.

⁹ Italgas Reti, on 26 May 2020, completed the acquisition from AEG Soc. Coop. of 15% of the company Reti Distribuzione, which manages the natural gas distribution service in the territory of 49 municipalities located in Canavese, Valle Orco and Soana and in the Municipality of Saluggia.

procedure. Following the completion of the further steps required by the tender procedure and local regulations, on 10 December 2021, Italgas signed the share purchase agreement for the acquisition of 100% of the share capital of DEPA Infrastructure. The closing of the transaction is conditional on obtaining the required approvals (including clearance from the Greek antitrust authority).

For further information see the Integrated Annual Report as at 31 December 2021 (the "Integrated Annual Report"), approved by the Board of Directors of Italgas on 9 March 2022.

A description of the Italgas Group and Italgas S.p.A associate companies is given below:



(*) On 2 March 2022, Italgas strengthened its partnership with Picarro Inc. through the acquisition of a minority shareholding, equal to 6%, in the US company, a technological start-up and world leader in the sector of sensors applied to monitoring network gas distribution as well as in technologies allocated to those sectors characterized by the need of extremely sensitive measurements, such as environmental measurements on the concentration of dangerous atmospheric pollutants and the electronics industry for the identification of impurities in environments dedicated to the production of semiconductors.

1.2 Values and mission

The Italgas Group has defined a system of values based on know-how, innovation, reliability, approachability, efficiency, ensuring of service quality, defence of the environment and safety at work.

These values form the foundation of the ethical culture of all the Group companies and which guide the conduct of corporate activities according to principles of sustainability and corporate responsibility and which are considered an integral part of their business management model. Ethics is a guiding element in defining the Company's strategic and operational decisions as well as a form of leverage to guarantee a corporate social responsibility approach that combines business objectives with respect for environmental, social and proper governance issues and which recognizes the central importance of stakeholders and their needs in order to create social as well as economic value, even with a push towards innovation.

Italgas, the leading natural gas distributor in Italy and the third largest in Europe, has always supported the economic and social development of the country, promoting its sustainable growth.

On the strength of these foundations, the Italgas Group is currently tackling a significant phase and new chapter in its long history. In its 2021-2027 strategic plan, the Company has set out an important investment plan aimed at digital transformation and technological innovation, the repurposing and extension of the network, new growth opportunities, insourcing of core competencies, with specific focus also on financial solidity and efficiency and, last but not least, sustainability issues such as decarbonisation and reduction in the use of energy resources, diversity and inclusion, and training (with a focus on upskilling and reskilling linked to digitalisation processes). In particular, Italgas has for some time now been implementing a series of initiatives as part of an extensive technological innovation plan, in the belief that digital transformation, extended to all areas of natural gas distribution, is the enabling element for a service characterised by the highest standards of quality and safety.

To facilitate the digitisation of processes, in November 2018 the Digital Factory was created, a structure that now houses multifunctional teams who work using agile methodology and design thinking. Its laboratories are working on 4.0 projects and technologies, crucial for maintaining the leadership conquered over time, including in the context of the "fourth industrial revolution".

The significant digital transformation plan under way in Italgas has been made possible not only by the launch of the Digital Factory, but also thanks to the evolution of the IT architecture to a cloud-based model, highlighting in particular the cultural change required and encouraged by the introduction of new technologies and new ways of working, as well as the addition of new personnel with new digital skills and know-how.

The digital transformation commenced in Italgas is reflected by the many projects launched on the network and the introduction of new technologies for digitisation of the network (new Smart Meters with Narrow Band technology - Internet of Things), for leak detection (Cavity Ring technology - Picarro Down Spectroscopy), for the improvement of scheduling, dispatching and customer engagement and for the Integrated Supervision Centre.

1.3 History

1837 - Founding:

The history of Italgas relates to the history of the gas industry in Italy which began in Turin in 1837 with the establishment of the Società Anonima Compagnia di Illuminazione a Gaz della Città di Torino.

In 1851, when the Turin stock exchange opened, the Company was among the 7 “Private Funds” admitted for listing.

In 1863, straight after the Italian unification, the Company changed its company name and became known as Società Italiana per il Gaz.

1900 - Expansion:

In 1900 it joined the Milan stock exchange.

The growth of electricity replacing gas for public lighting drove the Company to seek new commercial outlets for domestic uses, starting with cooking food and then heating and then the production of hot water.

In the Twenties an extensive buyout programme of gas companies operating in several Italian cities was launched, including Venice (1924), Rome (1929) and Florence (1929), with the goal of creating a large industrial group.

1967 - Joining Eni:

The block of shares that ensured control of Italgas was purchased by Eni, already at that time one of the major global energy groups.

With the progressive affirmation of natural gas and the development of gas pipeline transportation networks from the 1970s, the Company focused on the construction of new networks for urban distribution and the modernisation of existing ones, taking on the leading role in Italy's growth of methanisation.

In 2003, under the scope of a reorganisation process, Eni delisted Italgas shares from the stock exchange.

2009 - Italgas acquired by Snam:

Snam took over the entire Italgas block of shares from Eni under the scope of a transaction aimed at creating an integrated group overseeing all regulated natural gas transportation, distribution, storage and regasification activities..

2016 - Separation from Snam and return to the stock exchange:

On 7 November 2016, with the completion of the industrial reorganisation of the Snam Group, the Italgas stock went back to being listed on the Borsa Italiana FTSE MIB index.

1.4 Separation of the gas distribution activity from Snam and Italgas' admission to Mercato Telematico Azionario (electronic share market) organised and managed by Borsa Italiana

On 7 November 2016, the separation of Italgas Reti from Snam took effect and, at the same time, the shares of Italgas (previously ITG Holding S.p.A.) were listed on the Mercato Telematico Azionario organised and managed by Borsa Italiana (the "**Italgas Separation Transaction**").

As a result of the transaction, the entire equity investment held by Snam in Italgas Reti, equal to 100% of the share capital of Italgas Reti, was transferred to Italgas.

1.5 Italgas corporate governance system

Italgas' corporate governance system is a collection of rules and planning, management and control processes necessary for the operation of the Company and was initially outlined by the Board of Directors on 4 August 2016 in accordance with the provisions of the Italian Civil Code and the Consolidated Law on Finance and the Unbundling Regulation, in compliance with the application principles and criteria of the Corporate Governance Code and with reference to national and international best practices.

This system is based on certain key principles, such as proper, transparent business management implemented through the identification of information flows between corporate bodies and an efficient definition of the internal control and risk management system as well as the adoption of an Enterprise Risk Management system allowing the identification,

measurement, management and monitoring of major risks starting from an analysis of company processes (for more information, see section 10 of this Report).

Italgas has adopted the so-called traditional administration and control system pursuant to the applicable regulatory provisions and the By-Laws, which involves:

| a Board of Directors, in charge of the routine and extraordinary management of the Company and with the right to carry out all acts it deems appropriate for the implementation and achievement of the corporate purpose, with the exception of acts which pursuant to applicable regulations and the By-Laws are reserved to the Shareholders' Meeting;

| the Board of Statutory Auditors, with supervisory tasks, specifically (i) compliance with the law and the By-Laws; (ii) respect for the principles of proper administration in carrying out corporate activities; (iii) the adequacy of the Company's organisational structure in relation to its remit, the internal control system and the administrative accounting systems, as well as the reliability of the latter in properly representing operational events; (iv) the methods for specific implementation of the rules of corporate governance provided for by the Corporate Governance Code, that the Company adheres to. Additionally, pursuant to Legislative Decree no. 39 of 27 January 2010, the Board of Statutory Auditors also performs supervisory functions in its capacity as "committee for internal control and account auditing".

| the Shareholders' Meeting, the competent body for discussion tasked with, among other things, in both ordinary and extraordinary sessions: (i) the appointment and removal of members of the Board of Directors and the Board of Statutory Auditors and the establishment of their compensation, as well as resolving on any responsibilities; (ii) the approval of the financial statements, including the allocation of the profits for the period; (iii) resolving with regard to the purchase of treasury shares, amendments to the By-Laws and the issuing of convertible bonds.

The Board of Directors appoints the Chairman, if the Shareholders' Meeting has not already done so, delegates its duties to one or more of its members and may set up Committees for providing advice and recommendations on specific issues. In particular, the Board of Directors has created the following Committees in compliance with the provisions of the then current Corporate Governance Code, the current New Corporate Governance Code and the Articles of Association (in this regard, see Chapters 6 et seq. of this Report):

- | Appointments and Compensation Committee;
- | Control, Risk and Related Party Transactions Committee;
- | Sustainability Committee.

The Company keeps its corporate governance system constantly updated with the legislation and corporate governance currently in force. In this regard, among the initiatives undertaken in December 2020, during the financial year (or in the current 2022 financial year up to the date of this Report), in part so as to implement the recommendations of the Corporate Governance Code, the following activities in particular should be noted:

- | updating of the regulations governing the operation and organisation of the Board of Directors and the regulations of the Committees;
- | the appointment of the Secretary to the Board of Directors (the "**Board Secretary**"), as well as the definition of the related professional requirements and duties;
- | updating of the Corporate Bodies Diversity Policy (see subsection 4.3 and chapter 13);
- | adoption of the Policy for Managing Dialogue with all Shareholders (see section 14);
- | the "Guidelines on the internal control and risk management system" and the "Guidelines on internal audit activities" (see section 10).

The Issuer does not fall within the definition of an SME pursuant to Article 1, subsection 1, letter w-quater.1) of the CLF and Article 2-ter of the Consob Regulation on Issuers.

According to the Corporate Governance Code, the Company qualifies as a "large company"¹⁰, but does not qualify as a "concentrated ownership company"¹¹. Reference should be made to this Report (see in particular paragraphs 4.2 and 4.3, as well as chapter 7 of this Report) for the specific recommendations of the Corporate Governance Code applicable to Italgas by virtue of this classification.

¹⁰ That is, according to the Corporate Governance Code, "the company whose capitalisation was greater than EUR 1 billion on the last trading day of each of the three preceding calendar years (...)".

¹¹ That is, according to the Corporate Governance Code, the "company in which one or more shareholders participating in a shareholders' agreement hold, directly or indirectly (through subsidiaries, trustees or intermediaries), the majority of the votes that can be exercised at an ordinary shareholders meeting (...)".

1.6 Sustainability at Italgas

Sustainability, as also recommended in the letter from the Chairman of the Corporate Governance Committee dated 03 December 2021 (see section 18), is the principle by means of which Italgas enhances its business strategies.

The purpose of Italgas is to promote the fundamental role of natural gas in the process of energy transition towards a decarbonised and circular economy, contributing, through its digitised networks, to the development of renewable gases such as biomethane and hydrogen; it aims to guarantee and improve service quality, contribute to the creation of sustainable and smart cities and generate long-term value for customers, the market, the territory and all its stakeholders, while respecting the environment. This is how Italgas intends to contribute to the achievement of the sustainable development goals of the United Nations 2030 Agenda. Italgas' vision is to become an example of a sustainable approach to business in the energy industry.

The Board of Directors' Operating and Organisational Rules, moreover, provide that the Board shall lead the Company by pursuing the objective of long-term value creation for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the Company (hereinafter, the "**Sustainable Success**"). With this in mind, the Board defines the strategies of the Company and the Group consistent with the pursuit of Sustainable Success and monitors their implementation.

Moreover, since its inception, Italgas has had a Sustainability Committee and a Sustainability department dedicated to ensuring the definition of operational plans and tools aimed at guaranteeing the implementation and development of the sustainability model, involving stakeholders in on-the-ground initiatives; preparing non-financial information and drawing up internal reports to monitor the progress of the Group's initiatives (see chapter 9 of this Report).

With its 2021 Remuneration Policy, Italgas proceeded to innovatively review some aspects of the incentive systems, with the aim of ensuring an even better reflection of the short- and long-term corporate objectives set out in the Strategic Plan 2020-2026. Along this line of innovation, of particular importance is the further strengthening of the link between remuneration and sustainability objectives, by increasing the relative weight as regards short-term variable remuneration and the confirmation of what was defined in the previous remuneration policy in terms of the objectives set for the long-term variable component (see Remuneration Policy 2021).

The Sustainability Plan - approved for the first time by the Board of Directors in December 2017 and updated biannually - guides this vision and it integrates with the business and organisational plan drawn up by top management. In fact, it establishes harmonised strategic guidelines, objectives and action plans, which give substance to the vision in the short, medium and long term.

At the basis of this approach the responsible behaviour of people - behaviour that is defined and regulated by the Code of Ethics of Group companies and by the internal regulatory system - and relations with stakeholders, as expressed in the Sustainability and Stakeholder Engagement and Sustainability Policy and the Policy for Managing Dialogue with all Shareholders, are key factors. More specifically, Italgas' operations are planned and conducted in compliance with the rules that safeguard competition, according to the principles of transparency, honesty, correctness and good faith. The processes and business activities are overseen by specific, certified management systems, which guarantee the health and safety of workers, environmental protection and the quality of services provided.

Pursuant to legislative decree no. 254 of 30 December 2016, which introduced the obligation to publish extra-financial information relevant to the company, Italgas reports on the environment, social issues, personnel, respect for human rights, the fight against active and passive corruption, within the Integrated Annual Report, drawn up according to the guidelines of the International Integrated Reporting <IR> Framework, which is available on the Group's website (<https://www.italgas.it/sostenibilita/reporting-hub/>). The GRI Standards of the Global Reporting Initiative and other specific metrics deemed relevant for the purpose were used to measure the results in the document.

Italgas takes on the challenges of the Sustainable Development Goals (SDGs) promoted by the United Nations in the 2030 Global Agenda and the objectives agreed at European Union level and, through the Sustainability Plan, is committed to promoting ethics and sustainability in doing business, preserving resources and the natural environment, supporting the empowerment of people, and continuing to create value for the community in which it operates.

The Sustainability Plan is founded on five cornerstones:

- | develop the sustainability culture;
- | put people first;
- | create value for the territory;
- | create value for customers and the market;
- | contribute to the efficiency and security of the system.

The entire 2021-2027 Strategic Plan incorporates ESG criteria and responds to the main sustainability challenges, setting the Company new targets in terms of reducing emissions, energy efficiency and the development and enhancement of resources.

Sustainability is therefore the main cornerstone of the company's business: it is on that basis that the Group's operational and strategic choices are defined. In this regard, we can see why, when defining the strategic drivers for 2027, Italgas was already guided by the five pillars of the Sustainability Plan that represent the basic principles of sustainability with which the company has identified from day one: nurturing an ESG culture, choosing to put people first, creating value for the local area, customers and the market, and helping to make the system safer and more effective. These pillars are translated into objectives and measures for short- to medium-term implementation. They are also the source of the specific policies officialising the company's commitment, including:

- | **Sustainability policy and stakeholder engagement**, which defines its vision on environmental, social and governance issues relevant to its corporate identity, and the desire to create lasting value for all its stakeholders, through continuous dialogue, the sharing of objectives and the strengthening of collaborative, transparent and professional relationships;
- | **Corporate citizenship policy**, to further consolidate its support for local communities in line with its strategic growth and sustainable development plans;
- | **The policy on diversity and inclusion**, to promote matters of diversity and encourage progress and innovation;
- | **Human rights policy**, which outlines the reference principles and actions taken to protect human rights in the performance of its activities and, in general, in every context in which Italgas' people and business partners operate;
- | **Policy for the prevention of discrimination and protection of dignity**, by which Italgas undertakes to prevent discrimination, protect the dignity of its personnel and maintain the best conditions of well-being at work;
- | **The HSEQE Policy**, to promote full compliance with the standards protecting health, safety, the environment and energy performance;
- | **Policy for managing dialogue with all shareholders** (see chapter 14).

These policies are periodically updated and supplemented, with a view to constantly adhering to the evolution of the Group's positioning and strategies, as well as on the basis of guidelines emerging from sustainability indices and ratings, and international ESG trends.

In view of the preparation of the next Strategic Plan, the Group has taken steps to ensure even more coherent and organic integration between the strategic and sustainability pillars by creating a framework to guide the entire process, from the elaboration of the strategies, to the definition of the objectives, and their reporting.

In 2021, Italgas reconfirmed and even improved its sustainability ratings and the stock was included in the main international SRI stock indices, in recognition of the sustainable approach of the Company's strategies and activities as well as the information it provides to its stakeholders. More precisely:

- | since 2017 it has been included in the series of FTSE4Good indexes;
- | it was included for the first time in 2021 among the stocks selected in the Dow Jones Sustainability Index (DJSI) Europe, and was confirmed for the third consecutive year in the Dow Jones Sustainability Index (DJSI) World, selected by S&P Global each year on the basis of the score achieved in the Corporate Sustainability Assessment (CSA, score date 12 November 2021);
- | since 2017, Italgas has been identified by CDP (Carbon Disclosure Project) among the companies that stand out internationally for the strategies and actions implemented to combat climate change. In 2021 the Italgas Group was included in the "Leadership band" thanks to the improvement of its score to 'A-' from 'B' last year in the "Climate change 2021" questionnaire. This score positions Italgas above the European average and the average of the Energy Utilities Networks sector, both of which have a score of 'B';
- | in October 2021, it was included in the MIB ESG Index, the first blue-chip index for Italy dedicated to Environmental, Social and Governance (ESG) best practices of Borsa Italiana, part of the Euronext group. The MIB ESG Index is made operational by Euronext in cooperation with Vigeo Eris;
- | it was confirmed in the ECPI Euro ESG Equity and ECPI World ESG Equity indices in 2021 and was included in the ECPI Global Infrastructure Equity Index as of July 2021;
- | it confirmed the A- rating received from the rating agency ISS - Institutional Shareholder Services, as part of the ISS ESG Corporate Rating in 2020, confirming the "Prime" rating.

Lastly, in view of the importance of ESG performance and in order to ensure an increasingly robust reporting process, in 2021 the Corporate Reporting Internal Control System was also integrated in relation to the non-financial area, through the preparation of specific risk matrices and related controls, and the consequent updating of procedures relating to the main material issues indicated in the sustainability matrix.

Italgas pursues and considers the following aspects strategic: promoting a culture of quality; safeguarding the environment and public safety; valorising people and defending occupational health and safety; sustainable energy management, assessing risks and opportunities and ongoing, profitable dialogue with all its stakeholders. In this context, Italgas has issued the "Group Policy for Health and Safety, Environment, Quality and Energy" to adopt an integrated management system, in compliance with the relevant regulations and international best practices in the industry.

As indicated above, for further information regarding the issues dealt with, please refer to the Integrated Annual Report available and available on the Company's website: <https://www.italgas.it/sostenibilita/reporting-hub/>.



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2.0 | Information on the Ownership Structure

2.1 Structure of the share capital

At the date of the approval of this Report, the share capital of Italgas stood at 1,002,016,254.92 euros and is divided into 809,768,354 registered ordinary shares (ISIN: IT0005211237), with no par value, as also indicated in the table below. The Italgas stock is listed on the FTSE MIB index of the Italian Stock Exchange. Free-float shares amount to 60.5%.

	No. of shares	% compared with share capital	Listing market	Rights and obligations
Ordinary shares	809768354	100	Mercato Telematico Azionario of Borsa Italiana S.p.A.	Owners of shares can exercise their ownership and dividend rights pursuant to the By-Laws and applicable regulations. Each share is indivisible and gives the right to one vote.

It should be recalled that on 19 April 2018 the Extraordinary Shareholders' Meeting resolved to increase the share capital in one or more tranches, by a nominal maximum amount of 4,960,000 euros, through allocation - pursuant to art. 2349 of the Italian Civil Code - of a corresponding amount withdrawn from retained profits, with the issuance of a maximum of 4,000,000 ordinary shares, to be assigned free of charge to the beneficiaries of the incentive plan approved by the same Ordinary Shareholders' Meeting of 19 April 2018 and to be carried out by the final deadline of 30 June 2023. On 10 March 2021, the Board of Directors resolved on: (i) the free allocation of no. 632,852 ordinary Company shares to the beneficiaries of the plan given the rights assigned (so-called first cycle of the plan) to such beneficiaries and accrued in accordance with the provisions of said plan at the end of the relative performance period (2018-2020) and (ii) the first tranche of the capital increase serving the plan was implemented, for a nominal amount of 784,736.48 euros taken from the retained profits with the issue of no. 632,852 new ordinary shares. The above data relating to the share capital and Company shares take into account the execution of this capital increase.

On 9 March 2022, the Board of Directors resolved on: (i) the free allocation of no. 477,364 ordinary Company shares to the beneficiaries of the plan given the rights assigned (so-called first cycle of the plan) to such beneficiaries and accrued in accordance with the provisions of said plan at the end of the relative performance period (2018-2020) and (ii) the second tranche of the capital increase serving the plan was implemented, for a nominal amount of 591,931.36 euros taken from the retained profits with the issue of no. 477,364 new ordinary shares. The above data relating to the share capital and Company shares do not take into account the execution of this capital increase¹².

¹² As a result of the free share capital increase carried out on 9 March 2022, the share capital stood at 1,002,608,186.28 euros and is divided into 810,245,718 ordinary shares

In this regard, reference should be made to the information notice relating to the “2018 - 2020 co-investment plan” prepared pursuant to Article 84-bis of the Issuers’ Regulations and available on the Company’s website: https://www.italgas.it/wp-content/uploads/sites/2/2021/07/10-bis-Italgas-Documento-Informativo-Piano-di-coinvestimento_EN.pdf

Finally, on 20 April 2021 the Extraordinary Shareholders’ Meeting resolved to increase the share capital in one or more tranche, by a nominal maximum amount of 5,580,000 euros, through allocation - pursuant to art. 2349 of the Italian Civil Code - of a corresponding amount withdrawn from retained profits, with the issuance of a maximum of 4,500,000 ordinary shares, to be assigned free of charge to the beneficiaries of the incentive plan approved by the same Ordinary Shareholders’ Meeting of 20 April 2021 and to be carried out by the final deadline of 30 June 2026.

In this regard, reference should be made to the information notice relating to the “2021 - 2023 co-investment plan” prepared pursuant to Article 84-bis of the Issuers’ Regulations and available on the Company’s website: https://www.italgas.it/wp-content/uploads/sites/2/2021/06/Documento-Informativo-Piano-di-co-investimento-2021-2023_ITA_final.pdf

The Company has not issued special categories of shares, shares with multiple votes, shares with the right to a limited vote or without voting rights, financial instruments which give the right to subscribe new issue shares (such as convertible bonds and warrants).

2.2 Restrictions on the transfer of shares and voting rights

The By-Laws do not include any restrictions on the transfer of Company shares and/or limits on the ownership of shares or any restrictions on exercising voting rights.

2.3 Significant shareholdings

The table below lists the owners of significant shareholdings in the share capital of Italgas higher than the level laid down by art. 120 of the CLF (i.e., 3%) at 31 December 2021 and the date of the approval of this Report, in accordance with the information disclosed to the Company pursuant to said Article 120 of the CLF or in any event available to the Company.¹³

Declarant	Direct shareholder	Proportion of ordinary share capital (%)	Proportion of voting share capital (%)
CDP	CDP Reti (*) (**)	26.02	26.02
	Snam	13.49	13.49
	Total	39.51	39.51
Lazard Llc	Lazard Llc	9.2	9.2
Romano Minozzi	Granitifandre S.p.A.	0.025	0.025
	Finanziaria Ceramica Castellarano S.p.A.	0.22	0.22
	Iris Ceramica Group S.p.A.	1.89	1.89
	Romano Minozzi	2.14	2.14
	Total	4.29	4.29
Blackrock Inc.	Blackrock Inc.	4.8	4.8
Credit Agricole S.A.	Credit Agricole S.A.	3.4	3.4

(*) On 20 October 2016 a shareholders' agreement was entered into by Snam, CDP Reti and CDP Gas, effective as of the demerger date, in relation to Italgas S.p.A. With effect as of 1 May 2017, CDP Gas was merged by incorporation into CDP. Subsequently, on 19 May 2017, CDP sold the equity investment held in Italgas S.p.A., amounting to 0.969 % of the share capital of the same, to CDP Reti, among others. The Shareholders' agreement was last updated on 1 August 2019.

(**) CDP Reti is owned 59.1% by CDP, 35% by State Grid Europe Limited – SGEL, company belonging to the State Grid Corporation of China, and 5.9% by Italian institutional investors.

¹³ For information on shareholdings disclosed on the basis of Consob resolution no. 21304 of 17 March 2020 on the "Reduction of the initial percentage threshold pursuant to art. 120, subsection 2-bis, of Legislative Decree 58/1998 for shareholdings in the capital of listed companies - having Italy as the home Member State – with a high current market value and a particularly disseminated ownership structure" and subsequent Consob resolutions of similar content, see the website www.consob.it, "Significant shareholdings".

2.4 Shares which confer special rights

The Company has not issued shares which confer special controlling rights.

The Issuer's articles of association do not contain any provisions relating to multiple or increased voting.

The Presidency of the Council of Ministers Decrees no. 179 and 180 of 18 and 23 December respectively, issued the Government's transposition regulations on the matter of golden power as provided for by the body of relevant legislation, namely decree law no.21 of 15 March 2012 (converted with amendments by Law no. 56 of 11 May 2012), by EU regulation 2019/452, by decree law no.105 of 21 September 2019 (converted by law no. 133 of 18 November 2019) and by decree law no. 23 of 8 April 2020 (so-called Liquidity Decree, converted by law no. 40 of 5 June 2020), concerning the regulation of so-called special powers, reformulating the conditions and methods of exercising special powers by the State relating to strategic activities in the energy, transport and communications industries, so as to bring national legislation into line with the provisions of the Treaty on the functioning of the European Union.

Such legislation grants powers of intervention to the Government to protect legitimate, strategic and essential interests of the Country.

Due to the persistent emergency caused by the Covid-19 pandemic, on 23 December 2021 the Italian Government published Decree-Law No 228 extending the application of the provisional regime to 31 December 2022.

In connection with the energy and water industry, changes in equity investments, relevant in accordance with said legislation, and deeds, resolutions and/or operations that effectively alter the ownership, control, availability or intended purpose of strategic assets, must be disclosed to the executive power. The communication must be made to the Chairman of the Council of Ministers even if a non-European Union subject should purchase a share of the voting rights or capital at least equal to 10 percent and the total value of the investment is equal to or greater than one million euros, as well as in the case where acquisitions result in the exceeding of the thresholds of 15 percent, 20 percent, 25 percent and 50 percent.

2.5 Employee share ownership system: mechanism for exercising voting rights

There are no plans for an employee share ownership system in which voting rights are not directly exercised by the employees.

2.6 Shareholder agreements

As far as agreements between shareholders are concerned, pursuant to Article 122 of the CLF, as far as Italgas is aware, the following is noted.

a. Italgas Shareholders' Agreement

On 20 October 2016, Snam, CDP Reti and CDP Gas signed a shareholders' agreement (the "**Italgas Shareholders' Agreement**") in order to ensure a stable and transparent ownership structure of Italgas. The Italgas Shareholders' Agreement took effect on the completion date of the Italgas Separation Transaction and the simultaneous admission to listing of Italgas shares on 7 November 2016 and involves all the shares owned by parties in the Company.

On 1 May 2017, the merger by incorporation of CDP Gas into CDP took effect and, therefore, from said date CDP replaced CDP Gas in the Italgas Shareholders' Agreement. On 19 May 2017, CDP transferred the entire investment held by the same in Italgas to CDP Reti and, by virtue of said transfer, CDP ceased to be a party to the Agreement, which continues to be in place and is fully effective between just CDP Reti and SNAM.

The Shareholders' Agreement is for three years and is automatically renewed for further three-year periods, unless one of the parties gives 12 months' notice. Given such forecast, in November 2019 the Italgas Shareholders' Agreement was renewed.

It governs, inter alia:

- | the exercising of voting rights associated with shares covered by the shareholders' agreement, with the establishment of an advisory committee;
- | the obligations and methods for submitting a joint slate for the appointment of members of the Company's Board of Directors, with the rights of each party with regard to the designation of candidates;
- | restrictions on the transfer of shares covered by the shareholders' agreement and the purchase of further shares.

On 1 August 2019 the Italgas Shareholders' Agreement was further updated to take account of the re-qualification of CDP's shareholding in Italgas as de facto control pursuant to Article 2359, subsection 1, no.2) of the Italian Civil Code and Article 93 of the Consolidated Law on Finance (see chapter 2.9 below of this Report).

A copy of the Italgas Shareholders' Agreement was filed at the Milan Business Register on 11 November 2016 and the relative basic information, as last updated on 1 August 2019 pursuant to Article 131, subsection one, of the Issuer's Regulations, may be consulted on the Company's website: <https://www.italgas.it/en/investors/shares-and-ownership-structure/shareholders-agreements>

b. SGEL Shareholders' Agreement

On 27 November 2014, CDP, on the one side, and State Grid Europe Limited ("SGEL") and State Grid International Development Limited ("SGID"), on the other side, signed a shareholders' agreement (the "SGEL Shareholders' Agreement") under the scope of the sales agreement concluded between these parties on 31 July 2014, pursuant to which on 27 November 2014 SGEL bought a stake of 35% of the share capital of CDP Reti from CDP.

On 23 December 2014 the parties amended the SGEL Shareholders' Agreement to reflect the changes that had taken place in the meantime to CDP's equity investment in Snam.

Consistent with the effectiveness of the Italgas Separation Transaction and at the same time as the listing of Italgas shares on 7 November 2016, SGEL, SGID and CDP changed and supplemented the SGEL Shareholders' Agreement further, also extending the application with regard to the stake held by CDP Reti in Italgas, making provision, among other things, for SGEL rights with regard to the designation of one of the members of the advisory committee set out by the Italgas Shareholders' Agreement to be expressed by CDP Reti and the designation of a candidate to be included in the slate of candidates for the office of Italgas director to be submitted by CDP Reti at the time of the appointment of the Board pursuant to the Italgas Shareholders' Agreement.

Pursuant to the SGEL Shareholders' Agreement, SGEL has undertaken to ensure that the director appointed by it to the Company's Board of Directors if and to the extent that said director is not independent pursuant to Article 148 of the CLF shall abstain, to the maximum extent permitted by law, from receiving information and/or documentation from Italgas in relation to matters on which there is a conflict of interest for SGEL and/or any affiliated party, in relation to business opportunities in which Italgas, on the one hand, and SGEL and/or an affiliated party, on the other, have an interest and may be in competition. Furthermore, said director may not take part in the discussions of Italgas' Board of Directors concerning these issues.

The SGEL Shareholders' Agreement is for three years from the initial signing (i.e., from 27 November 2014) and is automatically renewed for further three-year periods, unless one of the parties gives 6 months' notice.

A copy of the SGEL Shareholders' Agreement was filed at the Milan Business Register on 11 November 2016 and the relative basic information may be consulted on the Company's website: <https://www.italgas.it/en/investors/shares-and-ownership-structure/shareholders-agreements>

2.7 Change of control clauses and statutory provisions on takeover bids

a. Change of control clauses

Italgas is party to important agreements which come into effect, are amended or cancelled in the event of the acquisition of control over the Company by an entity or entities, acting jointly, other than the Italian Republic or CDP, or in the case in which Italgas ceases to own a stake defined in Italgas Reti.

Specifically, this involves loan agreements which include the right of the counterparty to cancel the agreement early following either the acquisition of control over Italgas by an entity or entities acting jointly, other than the Italian Republic or CDP, or if the Italian Republic ceases, directly or indirectly (also via CDP) to own a portion of the share capital of Italgas

equal to a certain level, and if Italgas ceases to be the majority shareholder of the share capital of Italgas Reti. In some of these agreements, the above-mentioned early extinguishment can be requested if the change of control of Italgas follows a downgrading of its credit rating.

b. Statutory provisions on takeover bids

With regard to takeover bids, the Italgas By-Laws do not make any provision for exceptions to the passivity rule provisions of Article 104, subsections 1 and 1-bis of the CLF nor do they involve the adoption of the neutralisation rule pursuant to Article 104-bis, subsections 2 and 3 of the CLF

2.8 Power to increase the share capital and authorisation to buy treasury shares

The Board of Directors was not given the power to increase the share capital pursuant to Article 2443 of the Italian Civil Code. The Shareholders' Meeting did not authorise the purchase of treasury shares pursuant to Article 2357 et seq. of the Italian Civil Code.

2.9 Direction and coordination activities

On 1 August 2019 CDP, given the stake indirectly held by the same in Italgas, through CDP Reti and Snam, and the provisions of the Italgas Shareholders' Agreement, also to implement the control guidance contained in Consob Decision no. 0106341 of 13 September 2017, re-qualified its controlling shareholding in Italgas as de facto control pursuant to Article 2359, subsection 1, no. 2 of the Italian Civil Code and Article 93 of the Consolidated Law on Finance. Even after such requalification, there are no shareholders exercising the direction and coordination activities referred to in Articles 2497 et seq. of the Italian Civil Code over Italgas.

Italgas is the parent company of the Italgas Group and exercises direction and coordination activities over Subsidiaries pursuant to Article 2497 et seq. of the Italian Civil Code.

2.10 Additional information

The information relating to the agreements between the Company and directors that provide for indemnification (in the event of dismissal or termination of employment without just cause or if their employment is terminated following a take-over bid) can be found in the Remuneration Report that will be submitted by the Board of Directors to the Shareholders' Meeting pursuant to Article 123-ter of the TUF under the terms established by the applicable regulations.

The information required pursuant to Article 123-bis, subsection 1, letter I) of the CLF (the rules applicable to the appointment and replacement of directors and to the amendment of the By-Laws, if different from the legislative and regulatory provisions that are additionally applicable) can be found in the section of this Report dedicated to the Board of Directors (see Chapter 4 of this Report).



3.0 | Adhesion with the Corporate Governance Code

On 4 August 2016 the Board of Directors of Italgas resolved for the first time to comply with the Corporate Governance Code in the version in force at the time.

During the Financial Year, the Issuer applied the Corporate Governance Code (in the version approved in January 2020 by the Corporate Governance Committee, available on the Issuer's website <https://www.borsaitaliana.it/comitato-corporate-governance/homepage/homepage.htm>) to which it adhered on 18 December 2020, and which therefore became applicable as of 1 January 2021.

The Issuer and the Subsidiaries are not subject to non-Italian legislative provisions that influence the corporate governance structure of said Issuer.

4.0 | Board of Directors

4.1 Role of the Board of Directors

Pursuant to the By-Laws, the Board of Directors is vested with the widest-ranging powers for the routine and extraordinary management of the Company and has the right to carry out all acts it deems appropriate for the implementation and achievement of the corporate purpose, with the sole exception of acts reserved by law or the By-Laws to the Shareholders' Meeting.

Additionally, pursuant to the By-Laws, the Board of Directors is responsible for deliberating on the following matters:

- | merger by incorporation of wholly-owned companies or at least 90%-owned and demerger in the same scenarios;
- | institution, modification and elimination of secondary offices;
- | the decrease of the corporate share capital when a shareholder withdraws;
- | compliance of the By-Laws with regulatory provisions;
- | the transfer of the registered office within Italy.

The Board of Directors can delegate its duties to one or more of its members while determining the limits of the delegation pursuant to Article 2381 of the Italian Civil Code and appointing the CEO. At the proposal of the Chairman, the Board of Directors, in agreement with the CEO, can confer powers for individual acts or categories of acts on other members of the Board of Directors.

The Board of Directors can always give directives to the CEO and recall transactions coming under its jurisdiction, in the same way as it can, at any time, revoke the proxies conferred, proceeding, in the case of the revocation of proxies conferred on the CEO, at the same time to appoint another CEO.

At the meeting on 25 January 2021, the Board of Directors reserved specific duties pursuant to art. 2381 of the Italian Civil Code for its exclusive area of responsibility, as well as those which cannot legally be delegated and those required by the Corporate Governance Code in part so as to incorporate the Recommendations of the Corporate Governance Code and also so as to bring the duties into line with the new wording of the Board and Committee Regulations. The list of these assignments reserved exclusively to the Board of Directors can be consulted on the Company's website: <https://www.italgas.it/en/governance/board-of-directors/>. Under the scope of these exclusive duties, the Board of Directors, among other things, is expected:

- | to define strategic guidelines and objectives for the Company and the Italgas Group, including sustainability policies, at the recommendation of the CEO. In compliance with the Unbundling Regulation, the Board examines and approves the strategic, business and financial plans of the Company and the Italgas Group, monitoring their implementation on an annual basis, as well as the Company's strategic agreements;
- | to review and approve the budget of the Company and the group;
- | examines and approves the half-yearly report and the interim reports on operations of the Company and of the Group, as provided for by current legislation;
- | examines and approves the disclosure of non-financial information pursuant to legislative decree no. 254/2016¹⁴;
- | it examines and approves the Report on Corporate Governance and Ownership Structure to be put before the Shareholders' Meeting;
- | to define the system and rules of corporate governance of the Company and of the Italgas Group. In particular, following consultation with the Control, Risk and Related Party Transactions Committee, it adopts rules which ensure transparency and the substantial and procedural correctness of transactions with related parties and of transactions in which a director or a statutory auditor has a personal interest or an interest on behalf of others; it also adopts, upon the recommendation of the Chairman in agreement with the CEO, a procedure for the management and communication of corporate information, with particular reference to inside information;
- | assesses the general performance of operations, taking into consideration, in particular, the information received from the delegated bodies, paying particular attention to conflicts of interest and periodically comparing the results achieved, as stated in the financial statements and the interim accounts, with those of the budget, also acquiring the necessary information and adopting all measures suitable to

¹⁴ Please note that the Sustainability Committee examines and assesses the disclosure of non-financial information pursuant to legislative decree no. 254/2016, to be submitted to the Board of Directors, in coordination with the Control, Risk and Related Party Transactions Committee in relation to the assessment by the latter of the suitability of the periodical financial and non-financial information for the purpose of correctly representing the business model, the Company's strategies, the impact of its activities and the performance achieved.

protect the Company and disclosure to the market in case of significant events;

on the recommendation of the CEO, to resolve on the transactions of the Company and its Subsidiaries, in terms of the exercise of direction and coordination activities, that have a significant strategic, economic, capital and financial importance for the Company and the Italgas Group. This is without prejudice, in each case, to compliance with the confidentiality obligations relating to the commercial relations between the Subsidiary and the Company or third parties. Additionally, the activities and processes carried out by the Subsidiary Italgas Reti in relation to identifying natural gas distribution tenders in which to participate, and in relation to preparing the technical and financial bids for these tenders, are not discussed or subject to prior approval by Italgas' Board of Directors. The following are considered transactions of strategic, economic, capital and financial importance:

- > acquisitions, disposals, sales, transfers of companies or business units (including rent and usufruct), real estate and/or equity investments worth more than 100 million euros;
- > contracts for the sale of goods and/or services used for commercial and administration purposes by the Company and its Subsidiaries for amounts greater than 1 billion euros and/or for a term of more than 15 years;
- > contracts relating directly to the activities indicated in the corporate objective and/or relating to the day-to-day management of corporate activities worth over 100 million euros and/or with a duration of over 15 years;
- > the stipulation, modification and termination of credit contracts for sums exceeding 2 billion euros and/or with a duration of over 15 years;
- > the disbursement by the Company and its subsidiaries of loans to third parties other than Italgas and its Subsidiaries;
- > sureties and other forms of personal guarantee, as well as letters of patronage, in relation to commitments assumed or to be assumed by companies in which the Company, directly or indirectly, holds an equity investment, for amounts greater than 100 million euros and in any event if the amount is not proportional to the investment held therein;
- > with regard to sureties guaranteeing obligations undertaken or to be undertaken by the Company with third parties, worth over 100 million euros;
- > the Company's brokerage contracts;

defines the basic guidelines for the organisational, administrative and accounting structure of the Company and its subsidiaries. It also evaluates on, an annual basis, the adequacy of the organisational, administrative and accounting structure of the Company and its subsidiaries with strategic relevance, with particular reference to the internal control and risk management system.

During the Financial Year, the Board evaluated (i) the general performance of operations, on the basis of the regular information from the CEO (see Chapter 4.4 f) of this Report with regard to reporting to the Board); (ii) the adequacy of

the organisational, administrative and general accounting structure of the Issuer and of the strategically important Subsidiaries of strategic importance, drawn up by the Chief Executive Officer, taking into account the nature and size of the company, including in relation to the prompt detection of the business crisis and lack of corporate continuity.

To this end, on 24 February 2021 the Board of Directors of Italgas resolved to identify "subsidiaries of strategic importance" using the same criterion used for identifying companies defined as "quantitatively relevant" for the purposes of the Corporate Reporting Internal Control System (SCIS), namely fully consolidated companies contributing over 2% to at least two of the following items in the consolidated financial statements for two financial years in a row: Total assets; Revenues; EBITDA; Total financial indebtedness. The Board of Directors applied the same criterion for the identification of "strategically important subsidiaries" at its meeting on 27 January 2022. In application of this criterion, the "subsidiaries of strategic importance" are Italgas Reti S.p.A. and Toscana Energia S.p.A..

Please refer to chapter 14 below for information on the "Policy for managing dialogue with shareholders" adopted by the Board on the proposal of the Chairman formulated in agreement with the Chief Executive Officer.

The Board of Directors, in view of the Shareholders' Meeting for the renewal of the corporate bodies, expressed its view on the future size and composition of the Board of Directors and made proposals to the Shareholders regarding the duration of the office, the appointment of the Chairman of the Board of Directors, and the remuneration of the Directors.

During the 2021 financial year, the Board did not deem it necessary or appropriate to draw up reasoned proposals for defining a corporate governance system more suited to the needs of the company to be submitted to the Shareholders' Meeting in application of Recommendation 2 of the Code.

The Shareholders' Meeting has not authorised, in general or as a preventive measure, any exemptions from the prohibition on competition pursuant to Article 2390 of the Italian Civil Code.

4.2 Appointment and replacement

Pursuant to the By-Laws, the Company is run by a Board of Directors composed of 9 members appointed by the Shareholders' Meeting in compliance with the pro tempore regulations in force governing gender equality, which establishes the term of office for no more than three financial years.

Each office ends on the date of the Shareholders' Meeting called for the approval of the financial statements for the last year of the office. Directors can be re-elected.

As laid down in the By-Laws:

| at least three directors must meet the independence requirements laid down in the CLF (i.e., pursuant to Article 147-ter, paragraph 4, of the CLF, the independence requirements established for statutory auditors of listed companies pursuant to Article 148, paragraph 3, of the TUF). It should also be noted that, pursuant to Recommendation 5 of the Corporate Governance Code, in large companies other than those with concentrated ownership, such as Italgas, independent directors (within the meaning of both the CLF and the Corporate Governance Code) make up at least half of the board of directors;

| all directors must meet the integrity requirements prescribed by applicable law (i.e., pursuant to Article 147-ter, paragraph 1, of the CLF, the integrity requirements prescribed for statutory auditors of listed companies);

| the directors of Italgas cannot hold any office in the management or control body, nor can they hold any management functions at Eni S.p.A. or its subsidiaries, nor have any relations, direct or indirect, of a professional or financial nature with these companies, as also laid down by the Prime Ministerial Decree of 25 May 2012 concerning "Criteria, terms and conditions for the adoption by Snam of the ownership unbundling model pursuant to Article 15 of Law no. 27 of 24 March 2012".

If, during the financial year, the office of one or more directors should be vacated, the provisions of Article 2386 of the Italian Civil Code will apply. During the renewal of the entire Board of Directors, directors are appointed on the basis of the slate voting mechanism.

The statutory provisions governing slate voting for the appointment of the Board of Directors were modified during the Extraordinary Shareholders' Meeting of 19 April 2018. These amendments have retained the existing system under the By-Laws and the slate voting system provided for therein, but have supplemented it with further provisions; specifically, Article 13.5 has been supplemented with letter b-bis).

This chapter later describes the mechanism for appointing the members of the administrative body as provided for in the current provisions of the By-Laws. It should be noted that these provisions do not provide for the possibility of the outgoing Board of Directors to submit a slate.

With specific reference to gender balance regulations, it should be noted that the regulatory framework referred to has been amended as a result of two legislative acts:

a) conversion law no. 157/2019 of Italian decree law 124/2019 (article 58-sexies) amended - with effect as of 25 December 2019 - article 147-ter, subsection 1-ter and article 148 of the CLF, extending from three to six consecutive terms of office, the period of application of the gender balance regulation;

b) budget law no. 160/2019, in force since 1 January 2020, confirmed the validity of the legislation in question for six consecutive terms and established that the least represented gender must constitute at least two-fifths of the elected members, instead of the previous quota of one-third.

In such regard, art. 144 -undecies.1, subsection 3, of the Issuers' Regulations provides that wherever the application of the gender division criteria does not result in an integer number of members of the administrative and control bodies belonging to the less represented gender, such number is rounded up, except for corporate bodies formed of three members, where the number will be rounded down.

The new distribution criterion of at least two-fifths applies from the first renewal of the administrative body following the date of entry into force of the law and, therefore, on the occasion of the next renewal of the Board of Directors (and the Board of Statutory Auditors) scheduled for the Shareholders' Meeting to approve the financial statements at 31 December 2021.



Slate voting for the appointment of the Board of Directors (Article 13 of the By-Laws)

Slates are filed at the registered office by the twenty-fifth day prior to the date of the Shareholders' Meeting called to decide on the appointment of the members of the Board of Directors and made available to the public by the methods provided for by law and by Consob regulations, at least twenty-one days prior to the date of the Shareholders' Meeting.

Each shareholder may submit or be involved in submitting only one slate and may vote on only one slate, according to the terms provided for by the above-mentioned legal and regulatory provisions.

Each candidate may feature on only one slate; otherwise their candidacy is declared void.

Only shareholders who alone or together with other shareholders represent 2% or are the owners overall of another percentage of shares stipulated by Consob regulations shall be entitled to submit slates¹⁵. The ownership of the minimum percentage necessary for the submission of slates is determined considering the shares registered in the shareholder's favour on the date on which the slates are filed at the Company.

For purposes of corroborating ownership of the number of shares necessary for the submission of slates, shareholders must produce the respective certification issued in accordance with the law by authorised intermediaries by the deadline provided for publication of the slates by the Company.

At least three directors must possess the requirements of independence established for statutory auditors of listed companies.

Candidates meeting the aforesaid independence requirements must be specifically identified on the slates.

Pursuant to the Decree of the President of the Council of Ministers of 25 May 2012, on "Criteria, terms and conditions for the adoption by Snam S.p.A. of the ownership unbundling model pursuant to Article 15 of Law no. 27 of 24 March 2012", Italgas directors cannot hold any office in the management or control body, nor can they hold any management functions, at Eni S.p.A. or its subsidiaries, nor have any relations, direct or indirect, of a professional or financial nature with these companies.

All candidates must also meet the integrity requirements provided for by applicable legislation.

Slates with three or more candidates must contain candidates of each gender, in accordance with the call notice for the Shareholders' Meeting, in order to comply with applicable laws on gender equality. When the number of representatives of the less represented gender must, by law,

be at least three, slates for the appointment of the majority of members of the Board should include at least two candidates of the less represented gender on the slate.

Together with each slate, subject to its inadmissibility, a curriculum vitae must be filed for each candidate and the candidates' statements accepting their candidacy and certifying, under their own cognisance, the lack of grounds for ineligibility or conflict of interest, as well as the fact that they satisfy the integrity and possible independence requirements.

The appointed directors must inform the Company of any loss of the independence and integrity requirements, as well as the occurrence of causes of ineligibility or conflict of interest.

The Board shall periodically evaluate the independence and integrity of the Directors, as well as the lack of grounds for ineligibility or incompatibility. If one of the directors does not fulfil or no longer fulfils the established independence or integrity requirements imposed by law, or if there are grounds for ineligibility or incompatibility, the Board will dismiss the director and arrange for him or her to be replaced or will ask that the grounds of incompatibility be removed within an established period of time, otherwise he or she must forfeit the post.

Directors are elected as follows:

- a) seven directors will be taken from the slate that obtains a majority vote of the shareholders (the "Majority Slate"), in the consecutive order that they appear on said slate;
- b) the remaining two directors shall be taken from other slates that are not linked in any way, even indirectly, to the shareholders that presented or voted for the slate coming first by number of votes (the "Minority Slates"). To this end, the votes received by the slates will be successively divided by one and two. The quotients thus obtained will be assigned progressively to candidates from each of these slates, according to the order shown therein. The quotients thus assigned to candidates from the different slates will be arranged in a single decreasing gradation. Those obtaining the highest quotients will be elected. If several candidates obtain the same quotient, the candidate from the slate that has not yet elected any director or that has elected the smallest number of directors will be elected. If none of these slates has yet elected a director or if all have elected the same number of directors, the candidate from the slate obtaining the greatest number of votes will be elected. If the voting on slates is a tie and the quotient is also a tie, the entire Shareholders' Meeting will be asked to vote again, and the candidate winning a simple majority of votes will be elected;

¹⁵ Consob - through its Managerial Resolution of the Head of the Corporate Governance Division no. 60 of 28 January 2022 - decided, pursuant to Article 147-ter, paragraph 1 and Article 148, paragraph 2 of the CLF and Article 144-septies, paragraph 1, of the Issuers' Regulation, that the minimum level of investment required for the presentation of lists of candidates for the election of Italgas management and control bodies was 1%.

- b-bis)** in the case that the Majority Slate does not present a sufficient number of candidates to ensure the number of directors to be elected pursuant to the previous letter a), all the candidates listed therein are drawn from the slate, according to the progressive order indicated in that slate; after having then proceeded to draw the other two directors from the Minority Slates, pursuant to the preceding letter b), the remaining directors are drawn - for positions not covered by the Majority Slate - from the Minority Slate that has obtained the greatest number of votes amongst the Minority Slates (the "First Minority Slate") and in relation to the capacity of this slate. In case of insufficient capacity, it will draw the remaining directors - with the same modalities - from the following slate ("Second Minority slate") or possibly from the subsequent ones, depending on the number of votes and the capacity of the slates themselves. Finally, if the total number of candidates included in the slates that are presented - both in the Majority Slate and in the Minority Slates - is lower than that of the directors to be elected, the remaining directors are elected by the Shareholders' Meeting with a resolution adopted pursuant to the subsequent letter d);
- c)** if, after applying the procedure described above, the minimum number of independent directors required by the By-laws is not appointed, the quotient of votes to be attributed to each candidate taken from the slates is calculated by dividing the number of votes for each slate by the consecutive number of each of these candidates; non-independent candidates with the lowest quotients among the candidates taken from all the slates shall be replaced, starting from the lowest, by the independent candidates taken from the same slate as the candidate being replaced (following the order in which they are listed); otherwise, they shall be replaced by persons who meet the independence criteria and appointed in accordance with the procedure mentioned under d). If candidates taken from different slates have

obtained the same quotient, the candidate from the slate from which the highest number of directors has been taken shall be replaced, or, alternatively, 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;

- c-bis)** if the application of the procedure described under letters a) and b) and b-bis) does not permit compliance with the regulations on gender balance, the quotient of votes to be attributed to each candidate from the slates is calculated by dividing the number of votes obtained by each slate by the number of the order of each candidate; the candidate of the most represented gender who has the lowest quotient among the candidates from all the slates is replaced, without prejudice to the minimum number of independent directors, by the candidate representing the less represented gender (with the subsequent higher number of order) on the same slate as the replaced candidates, or, alternatively, by the individual appointed in accordance with the procedure described under letter d). If candidates from different slates have obtained the same lowest quotient, the candidate from the slate from which the greater number of directors has been taken shall be replaced, or, alternatively, 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;
- d)** for the appointment of directors not appointed for any reason by the above procedures, the Shareholders' Meeting shall resolve by statutory majority to ensure that the composition of the Board of Directors is consistent both with the law and with the By-Laws.

Additional binding legal provisions, including regulatory rules, remain unchanged in any case..

If the majority of the directors should vacate their offices, the entire Board shall be understood to have resigned, and a Shareholders' Meeting must be called without delay by the Board of Directors in order to replace it.

The appointed directors must inform the Company of any loss of the independence and integrity requirements, as well as the occurrence of causes of ineligibility or conflict of interest. The Board shall periodically evaluate the independence and integrity of the Directors, as well as the lack of grounds for ineligibility or incompatibility. If one of the directors does not fulfil or no longer fulfils the established independence or integrity requirements imposed by law, or if there are grounds for ineligibility or incompatibility, the Board will dismiss the director and arrange for him or her to be replaced or will ask that the grounds of incompatibility be removed within an established period of time, otherwise he or she must forfeit the post.

4.3 Composition, curriculum vitae, guidelines on the maximum number of offices and induction programme

a. Composition

The Board of Directors in office at the end of the financial year was appointed by the ordinary Shareholders' Meeting of the 4 April 2019. Seven of the nine directors appointed were taken from the slate presented by CDP Reti and Snam (expression of 39.545% of the share capital)¹⁶, while the remaining two were taken from the slate presented by institutional investors (all together holding 1.366% of the share capital)¹⁷.

At the Shareholders' Meeting of 4 April 2019 the term of office was set at three financial years, expiring on the date of the Shareholders' Meeting that will be called for the approval of the financial statements for the year ending 31 December 2021.

The Board of Directors in office at the end of the financial year was composed of nine directors, of whom:

one sole executive director, seven non-executive directors and a chairman without managerial powers;

six directors qualified as independent on the basis of both the independence requirements of the CLF (Articles 147-ter, subsection 4, and 148, subsection 3, of the CLF) and the Corporate Governance Code (Article 2), including the Chairman;

three female members, in compliance with the regulations in force on gender equality¹⁸;

| five directors at their first appointment.

| In the light of the above, and also taking into account what is stated in paragraph (b) of this chapter:

| the Issuer's Board is composed of executive and non-executive directors, all of whom have the professionalism and skills appropriate to the tasks entrusted to them;

| the number and expertise of the non-executive directors shall be such as to ensure they carry significant weight in the passing of board resolutions and to ensure the effective monitoring of operations;

| a significant proportion of the non-executive directors are independent.

The table below lists the directors in office at the end of the Financial Year, the offices held on the Board of Directors and directors classed as independent as at 31 December 2021 pursuant to the provisions of the CLF and the Corporate Governance Code.

¹⁶ Alberto dell'Acqua, Paolo Gallo, Yunpeng He, Paola Annamaria Petrone, Maurizio Dainelli, Giandomenico Magliano and Veronica Vecchi.

¹⁷ Andrea Mascetti and Silvia Stefani.

¹⁸ As said, the Company will apply the new distribution criterion of at least two-fifths starting from the first renewal of the administrative body following the date of entry into force of the law and, therefore, on the occasion of the next renewal of the Board of Directors (and the Board of Statutory Auditors), scheduled for the Shareholders' Meeting approving the financial statements at 31 December 2021.

Name	Office	Independent in accordance with the CLF and the Corporate Governance Code
Alberto Dell'Acqua	Non-executive chairman	Yes
Paolo Gallo	Chief Executive Officer	No
Yunpeng He	Non-executive director	No
Paola Annamaria Petrone	Non-executive director	Yes
Maurizio Dainelli	Non-executive director	No
Giandomenico Magliano	Non-executive director	Yes
Veronica Vecchi	Non-executive director	Yes
Andrea Mascetti	Non-executive director	Yes
Silvia Stefani	Non-executive director	Yes

It should be noted that, on 11 January 2022, Director Yunpeng He resigned, with effect from the date of appointment of his replacement. On 27 January 2022, the Board of Directors appointed Mr Qinjing Shen as a non-executive and non-independent director of the Company by co-option, pursuant to Article 2386, subsection 1 of the Civil Code and Article 13.7 of the Articles of Association, upon the proposal of the Appointments and Compensation Committee and a resolution approved by the Board of Statutory Auditors. The co-opted Director will remain in office until the next Shareholders' Meeting in accordance with the law and Italgas' Company Bylaws. Mr Qinjing Shen is therefore in office at the date of approval of this Report.

From the end of the Financial Year until the date of the approval of this Report there were no further changes to the composition of the Board of Directors.

With regard to the description of the company's diversity policies (art. 123-bis, lett d-bis, CLF), it should be noted that on 24 January 2019, the Issuer's Board of Directors, after receiving the opinion of the Appointments and Compensation Committee, approved the Diversity of Company Bodies Policy, i.e. a specific document summarising such policies (as well as the related objectives and implementation methods) and which also included some indications for shareholders in relation to the renewal of corporate bodies. This policy was subsequently updated on 25 January 2021 so as to adapt the provisions to the New Corporate Governance Code and, with reference to the Board of Directors, provides that an optimal composition of the board of directors of the Issuer can be guaranteed by applying the following criteria:

- i. Board of Directors composed by a majority of non-executive Directors, so that they can contribute to monitoring the delegated bodies, especially with reference to potential conflicts of interest, as well as to encourage board discussions;
- ii. at least half of the Directors having the independence requirements of the applicable pro-tempore legislation and the Corporate Governance Code, in order, among other things, to allow an adequate and heterogeneous composition of the Committees;
- iii. at least one-third of the directors consisting of the least represented gender, without prejudice to any legislative provisions in force over time regarding gender balance and envisaging a higher proportion;
- iv. balanced combination of managerial, professional, academic and/or institutional profiles within the administrative body, so that complementary skills are represented such as to ensure the correct and diligent performance of the functions assigned to it. In particular, the following profiles should be present:
 - | managerial profiles that have gained experience in positions of responsibility within companies and/or groups of significant size or complexity and/or possibly operating in sectors related to the Company's business;

- | professional profiles who have worked in professional firms, consulting companies and, in any case, in legal, economic, accounting, financial or technical-scientific or IT matters also pertaining to the Company's business;
 - | academic and/or institutional profiles that have gained experience in the field of legal, economic, accounting, financial or technical-scientific subjects also relevant to the Company's business;
- v. where possible, taking into account the skills needed for the proper and diligent performance of their functions, members of the Board of Directors of different age groups and/or different levels of seniority, so that different perspectives are represented and there is an adequate balance between continuity and change;
 - vi. where possible, taking into account the skills needed for the proper and diligent performance of their functions, the presence in the Board of Directors of members with international experience and preferably a good knowledge of English;
 - vii. choice of the Chair from among those with authority and experience, so that the same may promote internal discussion and act as an interlocutor of the body with control function and internal committees consistently with the tasks regarding the organisation of the Board's work and the circulation of information;
 - viii. choice of the Chief Executive Officer from among those with specific experience of managing companies comparable in size and complexity to the Company and the Group under its control, as well as having adequate skills in the economic and financial field.

In addition, the policy provides that all members of the Board of Directors should devote adequate time to the performance of the position held in the Company. As regards this aspect they pointed out a) the latest guidelines on limits to the number of positions simultaneously occupied drawn up by the Board of Directors, as well as b) the actual commitment required by the positions held, as well as the further work and professional activities carried out.

The Diversity of Company Bodies Policy can be consulted on the Company's website: <https://www.italgas.it/en/governance/board-of-directors/>.

As regards the composition of the Board of Directors in office in relation to age, gender composition, and educational and professional background, including for the purposes of disclosure of the results of the "Diversity of Company Bodies policy", the following is specified:

- | the Board includes three Directors of the less represented gender, equal to one third of the total composition. The composition of the Board of Directors (as well as of the Board of Statutory Auditors, see chapter 14) complies therefore with the legislation on gender balance;
- | the Board is characterised by the age structure diversity of its members, considering that the Board directors are aged between 42 and 67;
- | the educational and professional profiles of the Board directors currently in office (lawyers, engineers, economists) guarantee a balanced distribution of experience and expertise within the corporate body suitable to ensure that the functions the same is tasked with are performed correctly;
- | the current Board of Directors also has members from different geographic origins, as well as some with international experience.

In this regard, please note that upon completion of the board evaluation carried out from October to December 2021, the Board has decided that the size and structure of the Board is entirely adequate in terms of the tasks and complexities to be addressed, and that it allows for the correct composition, in terms of the existing competences and those acquired during the term of office, of the Board Committees (see chapter 7 for the results of the board evaluation).

It should also be noted that, in accordance with Recommendation 23 of the Corporate Governance Code (applicable to companies other than those with concentrated ownership, such as Italgas), in view of the renewal of the corporate bodies by the Shareholders' Meeting called to approve the financial statements at 31 December 2021, the Board, with the support of the Appointments and Compensation Committee, and taking into account the results of the board evaluation, has also prepared its own view on the future size and composition of the Board of Directors, which identifies the managerial and professional profiles and skills deemed necessary, as well as in consideration of the Company's sectoral characteristics; this view, pursuant to the above-mentioned Recommendation 23 of the Corporate Governance Code, was published on 21 February 2022 - and therefore well in advance of the publication of the notice for the call of the Shareholders' Meeting called to renew the Board - on the Company's website in the following sections: <https://www.italgas.it/governance/assemblea-azionisti/#Assemblea2022> and <https://www.italgas.it/governance/consiglio-amministrazione/>.

b. Curricula vitae

Below is a summary of the curriculum vitae of each member of the Board of Directors in office at the end of the Financial Year.

ALBERTO DELL'ACQUA (CHAIRMAN)

Born in Milan in 1976, he graduated in Economics at the "Bocconi" University in Milan. Subsequently, he obtained a PhD in Corporate Finance from the University of Trieste, carrying out a period of research as a visiting research fellow at the School of Finance and Economics of the University of Technology in Sydney. Since 2021 he has been Scientific Director of the Corporate Welfare Lab of the SDA Bocconi School of Management. From 2015 to 2021 he was Director of the Master in Corporate Finance and from 2014 to 2016 he co-directed the Executive Master in Corporate Finance & Banking at the same institution. He also teaches Financial Management & Corporate Banking at Bocconi University. In the academic field, he is the author of numerous publications in national and international peer-reviewed journals and monographs on corporate finance, corporate governance and start-up finance. He has carried out research projects commissioned by some of the most authoritative Italian economic associations and institutions. In 2015 he coordinated the official research project on the economic impact of Expo 2015 in Milan. In 2007 he co-founded Madison Corporate Finance, a financial advisory company, where he acquired a vast international and national experience as advisor in M&A transactions and stock exchange listings with a particular focus on multilateral trading facilities such as AIM and Euronext. He also serves as Vice President of Madison Capital, an investment club specialising in small and medium-sized, high-growth companies. He holds positions on the boards of directors of companies in the Utilities, Real Estate, Digital Communication and Fashion Tech sectors. He is a member of the impartiality committee of Q-Aid, an independent Italian certification body.

PAOLO GALLO (CEO AND GENERAL MANAGER)

Born in Turin, he has been the Chief Executive Officer and General Manager of Italgas since 2016 and is currently Vice Chairman of GD4S. He has a degree in Aeronautical Engineering from the Polytechnic of Turin. He later gained an MBA from the Scuola di Amministrazione Aziendale (SAA -Università degli Studi di Torino). From 2014 to 2016 he was CEO of Grandi Stazioni, where he finalised the privatisation. Previously (2011 – 2014) he was firstly General Manager and then CEO of Acea S.p.A. one of the leading Italian multi-utility companies, listed on the Milan stock exchange. From 2002 to 2011 he was part of the Edison Group, first as Director of Strategy and Innovation and later (2003 - 2011) as General Manager and then CEO of Edipower.

He began his career at Fiat Avio S.p.A. in 1988 where he held various positions of responsibility for 13 years. In 1997 he began to get involved in the energy sector developing new initiatives in Italy, India and Brazil and later combined all the electricity generation activities for the Fiat Group at Fiat Energia (where he was CEO until 2002), the vehicle through which the Fiat Group acquired control of Montedison in July 2001.

Between 1992 and 1994 he was Director of the MBA course at the School of Business Management of the University of Turin, teaching "The economic-financial evaluation of industrial investments" until 2002, and he was the co-author of important publications in the industry. Since 2018 he has been Associate Professor of the Re-engineering Operational Processes (Master Digital Ecosystem) and Energy Management (Master Energy Industry) courses at the Luiss Business School.

MAURIZIO DAINELLI (DIRECTOR)

Born in Rome in 1977, he gained a degree in Jurisprudence from the University of Rome and is qualified to practice professional law. He works at CDP Legal Services, where he is currently head of the Finance and Equity Investments Legal Division. Before that, he practised professional law at Bonelli-Erede, and was seconded for a period to the London office of the investment bank J.P. Morgan, as Visiting Foreign Lawyer. He began his career in 2000 at Andersen Legal.

YUNPENG HE (DIRECTOR)

Born in Baotou (Nei Mongol, China) in 1965. He has a Master's Degree in Electrical Systems and Automation from Tianjin University. He also gained a Master's Degree in Technology Management from the Rensselaer Polytechnic Institute (RPI). During the year, he served as a director of CDP Reti S.p.A., from which he resigned with effect from 18 November 2021, the date on which a director was appointed to replace him; SNAM S.p.A., from which he resigned with effect from 17 February 2022, the date on which a director was appointed to replace him; and Terna S.p.A., in relation to which he tendered his resignation effective as of 26 January 2022, the date on which a director was appointed to replace him, and IPTO S.A. (network operator for the transmission of electricity in Greece). He held the office of Deputy Director General of the European Representative Office of the State Grid Corporation of China from January 2013 until December 2014. He has held the following offices at the State Grid Tianjin Electric Power Company: Vice Chief Technical Officer from December 2008 to September 2012, Director of the Economic and Legal Department from June 2011 to September 2012, Director of the Planning and Development Department from October 2005 to December 2008, Director of the Planning and Design Department from January 2002 to October 2005. Lastly, he was Head of the Tianjin Binhai Power Company from December 2008 to March 2010 and Chairman of the Tianjin Electric Power Design Institute from June 2000 to January 2002.

PAOLA ANNAMARIA PETRONE (DIRECTOR)

Manager with over twenty-five years' experience in multi-national companies, in Italy and abroad, as well as in public companies.

She currently holds the position of Non-executive Director in Bialelli S.p.A., PFE S.p.A. and ASMortara S.p.A.

From 2019 she was Lead Independent Director and later CEO in Biancamano S.p.A. up to July 2020. From 2016 to 2019 she was Director and General Manager of AAMPS S.p.A. where she followed the reorganization of the waste management

company of the Municipality of Livorno following a settlement procedure (the first in a fully public company), previously she was General Manager of AMSA S.p.A., A2A Group and member of the Board of Directors of Bioase.

Previously, she worked for the Fiat Chrysler Automobiles S.p.A. group, first as Global Director Outbound Logistics and Managing Director of I-Fast Automotive Logistics and later as Global Senior Vice President Supply Chain Management and President of I-Fast Container Logistics, in particular in addition to the Group's operations she followed the integration with Chrysler worldwide. Between 2003 and 2008 she worked at Trenitalia, holding various roles in operations, including being involved in the start-up of the High Speed train service and most recently as Director of Regional Transport for Lombardy. From 2000 to 2002 she worked as a Manager at Roland Berger Strategy Consultants.

She started out her career in Operations at the Siemens AG Group, firstly in Italy and then in the German HQ.

She has been a member of the Board of Directors and Chairman of the Control, Risk and Related Party Transactions Committee of Italgas since 2016.

Born in Milan in 1967, after graduating she obtained a master's degree in Business Administration from SDA Bocconi in Milan.

A member of Nedcommunity, she has achieved certifications in corporate governance and risk management (Nedcommunity and Assogestioni).

GIANDOMENICO MAGLIANO (DIRECTOR)

Born in Naples on 12 February 1955. His diplomatic career began in May 1978 (he came first in the written tests, and second in the oral ones), and he was appointed *Ambasciatore di grado* [highest ranking Ambassador] in February 2010. Since October 2020, he has been Non-Executive Deputy Chairman/Independent Director of Impresa Pizzarotti & C. S.p.A. and since April 2020 independent Board Member of BNL/Banca Nazionale del Lavoro (since April 2021, Chairman of the Corporate Social Responsibility Board Committee and member of the Appointments Committee). He was Italian ambassador to France from January 2013 to January 2018. His previous senior management appointments include: in 2011-2012, Director General for the Directorate General for Global Affairs (multilateral/transversal economic issues as well as bilateral relations with Asia, Sub-Saharan Africa and Latin America); from 2003 to 2010, Director General for Multilateral Economic and Financial Cooperation, with expertise in both relevant international organisations and forums and the internationalisation of the Italian system, in particular energy/environment, technology and support for Made in Italy (in this period he was a member of the Board of Directors and the Executive Committee of SACE, the Management Committee for SIMEST concessions, the ICE Advisory Committee and the Advisory Board of Sviluppo-Italia as well as, internationally, Italian representative to the Governing Board of the International Energy Agency/IEA, the Board of the OECD in the Special Session and a member of the Italian Delegation to the Annual and Spring Meetings of the Monetary Fund and of the World Bank); from 2000 to 2003, he headed the Italian Development Cooperation as Director General (he was also head of the Italian delegation to the EU Council of Ministers for Development, and in 2001

he was Chairman of the G-8 Task Force on Education for Development and Italian representative to the Board of Directors of the Global Fund to Fight AIDS, Tuberculosis and Malaria).

In terms of education, in June 1973 he obtained the Certificat d'Études Politiques a SciencesPo/Paris; in June 1976 he graduated with a Degree in Business and Economics from "La Sapienza" University in Rome (score of 110/110 with honours, thesis on foreign direct investments with Prof. Federico Caffè); in June 1977 he obtained a Master's in Business Administration-MBA at the INSEAD of Fontainebleau; in June 1981 he obtained a mid-career Master's in Public Administration-MPA at the Harvard Kennedy School of Government (Course Director Prof. Thomas Schelling, who received a Nobel Prize for economics in 2005). He is the author of articles and papers on international economics, theories and practises of globalisation and European/Euro zone issues, and is a lecturer and professor in Rome at the *Scuola Nazionale dell'Amministrazione* [National School of Administration] and at the Tor Vergata and Link Campus Universities; he was the Italian representative on the Board of Directors of the European University Institute of Florence (1998-2003) and of the European Public Law Organisation of Athens (2000-2003).

VERONICA VECCHI (DIRECTOR)

Veronica Vecchi is Associate Professor of Practice of Government, Health and Not for Profit at SDA Bocconi School of Management. She is Adjunct Professor of Long Term Investment&PPP and Financial Management at Bocconi University.

At SDA Bocconi, since 2014 she has been Director of Executive Training of SDA Bocconi Asia Center and since 2015 of the International Executive Master in Business (IEMB), since 2013 she has been Director of the Impact Investing Lab and, since 2016, Director of the Executive Programme in Public Procurement for the Health Sector (MASAN). Since 2020 she has been Director of the MASAN Observatory, a research group set up by CERGAS Bocconi and SDA Bocconi on public procurement in the health sector. Since 2005, she has been a Professor responsible for courses (open market and custom) on public private partnerships, local development and public finance. She has created executive training, research and consulting programmes for numerous public institutions and private companies.

Since 2005 she has been director of programmes (open market and custom) on public-private partnerships, local development and public finance management.

Her research regards public management; public-private partnerships for infrastructure and economic development; project finance; PA-enterprise relations; impact investing and social innovation; public policies for the development of entrepreneurship and territorial competitiveness; financing strategies and evaluation of public investment and infrastructure, public procurements. Author of numerous national and international books and scientific articles. Her work has been published in prestigious journals such as Health Policy, Public Management Review, American Review of Public Administration, Journal of Economic Policy Reform, Journal of Comparative Policy Analysis and Public Money Management, Journal of small business management. She is an external faculty affiliate at Cornell University.

From 2015 to 2018 she was a member of the Investment Evaluation Board of the Ministry of Health; she was a consultant to the African Development Bank, Asian Development Bank, World Bank, Interamerican Development Bank. Moreover, since 2012 she has been actively participating in institutional working groups, also within the Ministry of Economy, on public-private partnerships. Since 2005, she has worked with local authorities, healthcare companies and regional administrations to structure and evaluate PPP infrastructure projects. She is also a member of the Board of Directors of Italgas and a member of its Sustainability Committee.

Since 2020 she has been a member of the Board of Directors of Nhoa, where she also holds the role of Chairman of the Audit and Sustainability Committee; she is a member of the Board of Directors of Banca Intesa Innovation Center and since 2020 she has been Chairman of the company Infrastrutture Milano-Cortina. She is also a member of the scientific advisory board of the G20 Global Infrastructure Hub.

Veronica has a degree in Public Administration Economics and International Relations from Bocconi University and a Doctorate in Public Administration Economics from the University of Parma.

ANDREA MASCETTI (DIRECTOR)

Born in Varese (Italy) on 10/8/1971, he graduated in Law from the University of Milan. He passed the bar exam at the Milan Court of Appeal; he is a member of the Milan Bar Association and is qualified to act as lawyer before the Court of Cassation.

After work experience at SALT (Studio Associato Legale Tributario), a law firm associated with Ernst&Young, in 2004 he founded a professional firm dealing with criminal, administrative and civil matters, with offices in Milan and Varese.

His professional work mainly focuses on civil and administrative law, in addition to the applications of Legislative Decree 231/01. He has acquired many years of experience in civil matters, and in particular in commercial and corporate law and in matters pertaining to real rights, both as a consultant and as a procedural law expert.

In administrative law matters, he acts as a counsel for the defence at Regional Administrative Courts and at the Council of State, and provides out-of-court advice for public bodies and commercial companies with regard to procurement and public contracts, concessions, and public-private partnerships.

In relation to Legislative Decree 231/01, he has provided and provides legal consultancy on the preparation, drafting and implementation of Organisation, Management and Control Models for leading Italian companies.

He is the Chairman and a member of supervisory bodies (Legislative Decree 231/01) and boards of statutory auditors; he is also the Chairman and a member of the board of directors of Italian companies and foreign banking institutes. He

is a member of the Central Charity Commission of the Fondazione Cariplo, where he acts as coordinator of the Culture Commission.

SILVIA STEFINI (DIRECTOR)

Born in Varese in 1964, she holds a degree in Political Economy from Bocconi University in Milan, an MBA in Finance from City University Business School in London, specialising in Corporate Governance and holds an International Directors Programme diploma from INSEAD. She then obtained certifications in risk management and corporate governance at national and international institutions (MIT Sloan School, FT-Ned, AIDC-Nedcommunity, Assogestioni).

She is an Independent Director and advisor on matters of risk management, the internal control system and corporate governance. Since April 2019, she has been a member of the Board of Directors of Italgas and a member of the Control, Risk and Related Party Transactions Committee and the Appointments and Compensation Committee. Since May 2020 she has been a member of the Board of Directors of Falck Renewables S.p.A. and a member of the Control and Risk Committee. Since July 2021 she has been a member of the Board of Directors and the Sustainability Committee of Equor Capital Partners SGR S.p.A., an asset management company that invests in turnarounds of unlisted Italian SMEs.

She is Chairman of the Steering Committee of Chapter Zero-Italia (the Italian chapter of the Climate Governance Initiative, a project in collaboration with the World Economic Forum) and an associate of Nedcommunity where she deals with risk management and remuneration.

Up to 2018, she had an international career working in Europe (London, Amsterdam, Zurich, Florence, Milan) and the United States (New York and Atlanta) for 28 years for American multinationals: General Electric Group (21 years); McKinsey (5 years) and Standard & Poor's Group (2 years). Her managerial activities have included regional and global roles in the areas of: commercial management (tenders and commercial proposals in the Energy Services and Infrastructure sectors in the EMEA region); risk management (risk underwriting to support growth and innovation; Enterprise Risk Management; integrated corporate governance processes; internal control systems); product development for the energy transition (focusing on flexibility, efficiency, systems integration and digital solutions for the electricity generation market); structured finance (mergers, acquisitions, joint ventures, export and trade finance, project financing in the Middle East, Africa, South America, Russia and Eastern Europe); leadership of complex organisations (international teams, integration and opening of new offices and organisations).

She has written articles, contributions to publications and conferences on the topics of business valuation, shareholders value, risk management, climate change and board management.

As reported, on 11 January 2022, Director Yunpeng He resigned from office, effective as of the date of appointment of her replacement. On 27 January 2022, the Board of Directors co-opted Mr Qinjing Shen as a non-executive and non-independent director of the Company, who is therefore in office as at the date of approval of this Report.

QINJING SHEN (DIRECTOR)

Graduated with a Master's Degree in Electrical Power System Engineering from Zhejiang University, China.

She is currently a member of the Board of Directors of CDP RETI S.p.A., Terna S.p.A. and Chief Representative for State Grid in Italy.

He served as Head of the Department of Business Development & Strategy, State Grid International Development Co., LTD (2016-2021). Among his main roles, he was Key Contact and coordinator of extraordinary operations for CPFL Energia in Brazil (Scope of the operation: 9 billion dollars, including the Controlling Block transaction, the mandatory public takeover bids for the minority shareholders of CPFL Energia, the mandatory public takeover bids for CPFL Renewable, the Re-IPO of CPFL). Key player in State Grid's other M&A transactions (Chilquinta, Chile (2.5 billion dollars, 2020) CGE, Chile (3 billion dollars, 2021).

He served as Deputy Director of Business Development & Strategy, State Grid International Development Co., LTD (2013-2016). Among his main roles, he was Project Manager and Key Contact of the CDP Reti transaction (2.2 billion dollars) in 2014. High-level participation in several M&A transactions in Australia during the same period for State Grid.

He was previously Project Manager of the Department of Business Development & Strategy, State Grid International Development Co., LTD (2008-2013). Among his main roles, he was Project Manager for the purchase of 7 transmission concessions in Brazil from Spanish investors (1 billion dollars) in 2010. Participation in transactions concerning NGCP, Philippines (2009), REN, Portugal (2011).

Most recently, he was a Dispatching Engineer at the Dispatching Communication Center, Zhejiang Electric Power Company (a subsidiary of State Grid Corporation of China) (2003-2008).

c. Maximum number of offices held at other companies

On 21 February 2022, the Board of Directors of Italgas confirmed, on the proposal of the Appointments and Compensation Committee, its guidelines, already adopted on 29 January 2019, 17 December 2019 and 18 December 2020, regarding the maximum number of offices as director or statutory auditor in other "relevant companies" not belonging to the Italgas Group, in compliance with the provisions of the Corporate Governance Code. Specifically, the Board of Directors has set the following limits and prohibitions.

For the CEO (and any other executive directors) of the Company:

- | no other office as executive director;
- | a maximum of one other appointment as a non-executive director and/or statutory auditor (and/or member of another control body), with the possibility of an exception being made, for up to three appointments overall, with the favourable opinion of the Board of Directors;
- | in relation to the Chief Executive Officer alone, no office as Director of another issuing company not belonging to the Italgas Group of which another Italgas Director is Chief Executive Officer (prohibition of the so-called interlocking directorate).

For non-executive directors of the company the limit of an additional four offices (weighting executive appointments or appointments as non-executive chairman as double).

On 21 February 2022, the Board of Directors also confirmed, at the proposal of the Appointments and Compensation Committee, the guidelines, already adopted on 29 January 2019, 17 December 2019 and 18 December 2020, concerning the identification of "relevant companies" to be taken into account for the purposes of the aforementioned limits on the accumulation of offices. Specifically, a "significant company" is any company, Italian or foreign, satisfying at least one of the following conditions:

- | issuer company (in Italian or foreign regulated markets);
- | company operating in the insurance, banking or financial sectors (e.g., asset management company, brokerage company);
- | company with shareholders' equity of more than €1 billion.

If the above limits indicated are exceeded, the director involved should promptly inform the Board of Directors, which shall evaluate the situation in light of the Company's interest and ask the director to take the resulting decisions.

The Chief Executive Officer of Italgas shall not hold the office of director of another issuing company not belonging to the Italgas Group, of which another director of Italgas is Chief Executive Officer.

Said criteria were expressly approved by the Board of Directors at the aforementioned meetings. The directors in office at the end of the financial year and at the date of approval of this Report comply with the guidelines approved by the Board of Directors regarding the maximum number of offices held.

The table below shows - on the basis of the declarations made by the directors - the other significant offices pursuant to the Corporate Governance Code and the prevailing view adopted by the Board of Directors in relation to the maximum number of offices currently held by the Company's directors.

Director	Other important positions held
Yunpeng He	Director of CDP Reti S.p.A.(*), Terna S.p.A. (**), Snam S.p.A. (***) (****) and IPTO S.A.
Andrea Mascetti	Director of Banca Intesa Russia – Moscow and Intesa Sanpaolo Private Bank (Suisse) SA – Lugano - Geneva (*****)
Giandomenico Magliano	Director of the Banca Nazionale del Lavoro S.p.A.
Silvia Stefini	Director of Falck Renewables S.p.A. and Equor Capital Partners SGR S.p.A.
Veronica Vecchi	Director of Engie Noha S.A. (formerly EPS S.A.)
Paola Annamaria Petrone	Director of Bialetti Industrie S.p.A.

(*) Office terminated on 18 November 2021, following the resignation of Mr He.

(**) Office terminated on 26 January 2022, following the resignation of Mr He.

(***) Office terminated on 17 February 2022, following the resignation of Mr He.

(****) Following the resignation of Mr He, the Board of Directors of CDP Reti S.p.A., Terna S.p.A. and Snam S.p.A. co-opted Mr Qinjing Shen as a non-executive director. Therefore, at the time of approval of this Report, Mr Shen holds the above-mentioned relevant positions.

(*****) The position at Intesa Sanpaolo Private Bank (Suisse) S.A. was held until December 2021.

d. Induction Programme

During the Year, the characteristics of the board information have enabled the Directors to obtain an adequate understanding of the business sphere in which the Issuer operates, the Company dynamics and their changes, as well as the relative legislative and self-regulatory framework in place.

In addition, the directors and statutory auditors were able to gain a better understanding of the area of operations of the Company and of the Group by taking part in: (i) a site visit to the new offices of Italgas Reti S.p.A. in Largo Regio Parco 9, Turin, on 26 October 2021; (ii) analysis and discussion of Italgas Group's strategic options, examining in-depth issues relating to energy and sector scenarios and their possible diversification, as well as strategies on innovation and internationalisation, energy transition and sustainability, with the participation of an external expert on 26 May 2021; (iii) the board meeting of 14 June 2021, during which the 2021-2027 business plan was discussed and approved; (iv) the visit and presentation of Italgas' Heritage Lab on the same day.

e. Measures to promote equal treatment and opportunities between genders

With regard to the "measures aimed at promoting equal treatment and opportunities between genders within the entire corporate organisation", recommended by the new Corporate Governance Code (art. 2, Recommendation 8), reference is made first of all to the Policy for Diversity of Corporate Bodies, for which reference is made to the detailed description contained in this paragraph, letter a).

Lastly, it should be noted that on 17 December 2019, the Issuer's Board of Directors, after hearing the opinion of the Appointments and Compensation Committee of 29 October 2019, approved the "diversity and inclusion policy", which outlines a more detailed programme on these aspects, including those relating to processes within the organisation, starting with recruitment processes.

The "Diversity and inclusion policy" implements some of the fundamental principles of Italgas' Code of Ethics and applies to all Italgas employees.

The aim is to ensure that all employees treat those around them with dignity, respect and fairness at all times, demonstrating conduct that reflects inclusion and supports the values of the Group. Italgas is therefore committed to avoiding any form of discrimination as regards employment, accommodating differences in age, gender, marital status, ethnicity, nationality, religion or other beliefs, sexual orientation, social and educational background, familial and care responsibilities.

In its recruitment, Italgas is committed to training and promoting the best people for the job, encouraging their professional growth.

Specifically, Italgas recognises and supports the importance of promoting equal opportunities, recognising the value of diversity and valorising the unique nature of its people, attributing to the same a strategic value. Italgas is committed to developing a culture of D&I, focusing on awareness-raising of the entire corporate workforce and on valorising differences in gender, age and background in its selection, training and opportunities for growth as well as in all the company processes, encouraging a culture where the wealth of diversity is acknowledged.

In order to ensure the constant evolution and application of the "Diversity & Inclusion Policy", in 2021 Italgas introduced in its organisational structure the D&I (Diversity & Inclusion) unit within the HRO department in the Talent & Change Management area to oversee D&I issues within the Group. With the creation of the position of Diversity & Inclusion Manager, Italgas's approach to Diversity & Inclusion has received a new impetus and method, with the launch of a structured process to raise awareness and engage the entire corporate population, with the creation of an action plan that will be developed over the next three years.

Below are some of the main Diversity & Inclusion initiatives implemented in 2021 in Italgas:

- | inclusion of Diversity and Inclusion KPIs among the corporate objectives;
- | renewal of the collaboration as a supporting member with Valore D¹⁹;
- | membership of STEM By Women²⁰;
- | participation in a new edition of the Grow Data Girls challenge in collaboration with LUISS Business School;
- | Gender Equality Assessment plan;
- | qualitative listening projects through focus groups relating to generational and background diversity;
- | first edition of the women's leadership course;
- | first edition of the "Unconscious Bias" course;
- | participation in the survey "Valuing differences in the company", within the research project developed by the Catholic University of Milan;
- | widespread awareness and engagement actions in all territories and business areas, which have resulted in the identification of more than 30 Diversity & Inclusion Ambassadors, who will be key players in organisational change with the aim of promoting the benefits of a corporate culture based on the principles of diversity and inclusion.

¹⁹ An organisation founded to support the enhancement of the role of women in the workplace and equal treatment between genders as a means of promoting the growth of companies and the Country system.

²⁰ Association of companies, organisations and individuals promoting women's studies and careers in STEM fields.

4.4 Operation of the Board of Directors

During the Financial Year, the Board of Directors met 15 times, with each meeting lasting an average of 2 hours 52 minutes.

The table in Annex 1 lists the attendance of each member at the Board of Directors' meetings during the Financial Year.

During the meeting of the Board of Directors on 24 February 2021, the Chairman, highlighting that the Italgas Board members have already demonstrated in 2020 - by guaranteeing, on average, 97% participation in the Board proceedings - that they consider discussion a central element, stressed the essential nature of the contribution of each Board member, taking into account, inter alia, the specific skills and professionalism of each.

On that occasion, the Chairman, after recalling that - again pursuant to the Corporate Governance Code - each director shall ensure adequate time availability for the diligent performance of the duties assigned to him, asked all directors to ensure that in 2021 they attend at least 75% of the meetings of the Italgas Board of Directors.

The participation in the financial year was equal, on average, to 99% and therefore the requirement was largely met.

For the current business year 11 meetings of the Board of Directors are scheduled, including three which have already been held at the date of the approval of this Report.

The Financial Calendar which can be consulted on the Company's website (<https://www.italgas.it/en/media>) indicates the corporate events and dates of disclosure to the public of the economic-financial results which will be examined by the Board of Directors in 2022.

At the Board of Directors' meetings held during the Year, the members of the Board of Statutory Auditors attended frequently as well as the competent heads of company departments where the items on the agenda were relevant to them. In particular, the following parties attended and provided appropriate in-depth analysis on the topics within their remit, inter alia: (i) Mr Antonio Paccioletti, General Manager of Finance and Services, until his resignation from all Group positions and the reaching of an agreement for the consensual termination of his employment with effect from June 1, 2021; (ii) Mr Gianfranco Maria Amoroso, who held the position of Head of Finance, Planning and Control until May 2021 and, from June 1, 2021, was appointed Chief Financial Officer; (iii)

Mr Alessio Minutoli, Director of Legal, Corporate and Compliance Affairs, as well as Secretary of the Board of Directors; (iv) Mr Pietro Durante, Human Resources and Organisation Director; (v) Mr Pier Lorenzo Dell'Orco, Chief Executive Officer of the subsidiary Italgas Reti S.p.A.; (vi) Mr Giovanni Mercante, Manager preparing the company's financial reports; (vii) Mr Paolo Bosato, Head of Internal Audit, as well as (viii) Mr Nunziangelo Ferrulli, Chairman of the subsidiary Italgas Reti S.p.A.; (ix) Mr Lorenzo Romeo, Head of Corporate Strategy; (x) Ms Chiara Ganz, Director of External Relations and Sustainability.

Board of Directors meetings are called by the Chairman or, if they are absent or unable to do so, by the Chief Executive Officer or, if they are absent or unable to do so, by the most senior director in age, when they deem it necessary or when requested in writing by at least two directors. The Board can meet through tele- or video conferencing, under the conditions set out in the By-Laws.

The meetings of the Board of Directors are presided over by the Chairman or, if they are absent or unable to do so, by the CEO, or, finally, if they are absent or unable to do so, by the eldest Board member.

The Chairman of the Board of Directors also ensures that directors have all the necessary information on the individual items on the agenda.

On 25 January 2021, the Board of Directors approved a new version of the regulations for the operation and organisation of the Board of Directors (the "**Board Regulations**") and for the incorporation of the provisions of the Corporate Governance Code. Specifically, this new version, inter alia (i) attributes to the Board of Directors and the Chairman the tasks and powers provided for in the Corporate Governance Code; (ii) defines the professional requirements and the powers of the Secretary to the Board of Directors (see paragraph 4.5 of this Report); (iii) identifies the deadlines for sending the information in advance and the methods for protecting the confidentiality of the data and information provided so as not to prejudice the timeliness and completeness of the information flows; (iv) regulates in a precise manner the operating rules, including the methods for recording minutes of the meetings.

In particular, under point (iii), the Board Regulations provides that:

- | the notice of the meeting is sent by the Secretary of the Board to the Directors and Statutory Auditors - by uploading it to the "Secure Area" of the digital system used by the Company or, if such digital system cannot be used, exceptionally by e-mail or other means of telecommunication to the address indicated by each addressee - normally at least 5 (five) days before the date of the meeting and, in case of necessity and urgency, at least 12 (twelve) hours before the meeting;
- | the documentation relating to the items on the agenda is made available to the Directors and Statutory Auditors by the Secretary of the Board, by uploading it into the aforementioned "Secure Area", as well as in other agreed forms that guarantee the confidentiality of the information contained therein. As a rule the documentation shall be made available at least 5 (five) days before the date of the board meeting, except in exceptional cases;
- | "Corporate documentation containing price sensitive information is not normally communicated in advance, without prejudice to the need to ensure that the Board receives adequate information on the topics indicated on the agenda on the day of the meeting. If said documentation has been sent in advance, the provisions regarding the processing of sensitive information shall be observed;

in addition to the obligations regarding inside information indicated by current legislation and the "Procedure for the public disclosure of inside information" adopted by the Company, the recipients of the documentation are required to maintain the confidentiality of the data and information they receive in the exercise of their duties."

During the Year, the minimum notice for calling meetings and sending important documentation was generally complied with.

Pursuant to the provisions of the SGEL Shareholders' Agreement, the Board Regulation requires that the director appointed by SGEL, if and to the extent that said director is not independent pursuant to Article 148 of the CLF shall abstain, to the maximum extent permitted by law, from receiving information and/or documentation from Italgas in relation to matters on which there is a conflict of interest for SGEL and/or any affiliated party, in relation to business opportunities in which Italgas, on the one hand, and SGEL and/or an affiliated party, on the other, have an interest and may be in competition. In such an event, this director should promptly give written notice to the Secretary to the Board and they cannot take part in the discussions of the Italgas Board of Directors concerning these matters. The Board in office, at the end of the Financial Year, and at the date of the approval of this Report, includes one director appointed by SGEL who is not independent pursuant to Article 148 of the CLF.

As regards the taking of minutes of meetings, the Board Regulation provides that, except in those cases in which, by law, the minutes must be drafted by a notary, the Secretary of the Board shall be responsible for minuting the meetings, and may be assisted for this purpose by personnel from the relevant legal, corporate and compliance department. The minutes are drawn up analytically, reporting the speeches made during the board discussions, summarised by the Secretary, and include, in the text, in annexes or in the register of company documents, the documentation made available to the Board. The draft minutes prepared by the Secretary of the Board are submitted to the Chairman and Chief Executive Officer and, prior to approval, to the members of the Board and the Board of Statutory Auditors, who may submit comments by addressing them to the Secretary of the Board. The Board approves the final text of the minutes, normally at the next meeting.

4.5 Role of the Chairman of the Board of Directors

a. Role of the Chairman

Without prejudice to that indicated in section 4.6 below, the Chairman, in compliance with the Board Regulation (as amended on 25 January 2021, also in order to integrate the functions, duties and role of the Chairman in line with the provisions of the Corporate Governance Code), plays a liaison role between the executive directors and the non-executive directors and ensures the effective operation of the Board proceedings.

Moreover, the Chairman ensured, with the assistance of the Secretary of the Board of Directors:

- | that pre-board meeting information and the supplementary information provided during meetings is suitable to allow the directors to act in an informed manner in the performance of their role (see paragraphs 4.4 and 4.6(f) of this Report);
- | that the activities of board committees with investigation, proposal and consultation functions are coordinated with the activities of the Board of Directors; (see chapters 6 et seq. of this Report);
- | in agreement with the chief executive officer, that the Company's senior executives and those of the companies belonging to its group, in charge of the pertinent management areas, attend the meetings of the board in order to provide appropriate supplemental information on the issues on the Board's agenda, also at the request of individual directors (see paragraph 4.4 of this Report);
- | that all the directors and statutory auditors are allowed to participate, after their election and during their mandate, in initiatives aimed at providing them with adequate knowledge of the business sectors where the Company operates, of the corporate dynamics and the relevant evolutions, also from the point of view of the sustainable success of the company as well as in accordance with the principles of proper risk-management and of the relevant regulatory and self-regulatory framework (see paragraph 4.3(d) of this Report);
- | the adequacy and transparency of the Board of Directors self-evaluation process, with the support of the Appointments and Compensation Committee (see chapter 7 of this Report).

The Board Rules provide that the Chairman also makes the following proposals to the Board, in compliance with the principles and recommendations of the New Corporate Governance Code:

- a. the appointment and dismissal of the Secretary of the Board of Directors;
- b. the adoption, in agreement with the CEO, of:
 - | a policy for managing dialogue with all shareholders, also taking into account the engagement policies adopted by institutional investors and asset managers;
 - | a procedure for the in-house management and disclosure of documents and information regarding the Company, with specific reference to inside information.

The Chairman ensured, during the Board meeting on 21 February 2022, that the Board of Directors was informed about the development and significant contents of the dialogue that had taken place with the shareholders.

The Chairman also has the additional duties assigned to him by the Italgas Group "Guidelines of the internal control and risk management system".

b. The Secretary of the Board

The Rules of Procedure of the Board provide that the Secretary is appointed by the Board, on the recommendation of the Chairman, as a rule at the start of each term of office of the board and for its full duration. In addition, the Rules of the Board of Directors provide that the Secretary shall be chosen from among those possessing adequate requirements of professionalism, experience, independence of judgement and who are not in situations of conflict of interest. The Secretary of the Board must: (i) have a degree, preferably in law; (ii) have knowledge of the regulations of listed companies in a regulated market, acquired through many years of specific experience working at listed companies or the exercise of professional activities; (iii) have proven corporate expertise (legal, corporate, audit, etc.) acquired through many years of experience working at listed companies or the exercise of professional activities; (iv) have acted as secretary of the board of directors of a joint stock company for at least three years.

Taking into account these requirements, the Board of Directors on 25 January 2021, at the proposal of the Chairman,

appointed Alessio Minutoli, Head of Legal, Corporate and Compliance Affairs of the Company, as Secretary of the Board for the entire duration of the Board's term of office.

The Board Secretary supports the activities of the Chairman and assists the latter: (i) in performing the functions indicated in the Board Regulations; (ii) with the preparation of board meetings and shareholders' meetings and with the preparation of the relative resolutions, also overseeing the minuting of the board meetings; (iii) in communication with the Directors. The Board Secretary also assists the Chief Executive Officer of the Company in relations with the Board and provides impartial assistance and consultation to the Board of Directors on every relevant aspect for the correct operation of the corporate governance system. The Board Secretary may perform other functions within the Company as long as they do not compromise his/her independence of judgement regarding the Board or the regular performance of his/her duties. In cases of necessity or urgency, the Secretary may be replaced for single meetings by the person identified by the board on the recommendation of the Chairman. The Board, in agreement with the Chairman, may dismiss the Board Secretary.

4.6 Executive directors

c. Chief Executive Officer

On 4 April 2019, the Italgas Board of Directors appointed Paolo Gallo as CEO, conferring on him all duties and powers, with the exclusion of those provided for otherwise by law and in the By-Laws and not reserved to the Board of Directors or the Chairman (see paragraph 4.1 of this Report) as most recently amended on 25 January 2021.

From the effectiveness of the completion of the Italgas Separation Transaction, Paolo Gallo has assumed the position of General Manager of Italgas, while from the same date, Antonio Paccioretti has assumed the position of General Manager of Finances and Services, until his resignation from all Group positions and an agreement was reached for the termination of his employment relationship, with effect from 1 June 2021.

The situation of interlocking directorate does not apply to the Chief Executive Officer.

The Director in Charge is also assigned the role of Chief Executive Officer pursuant to the Corporate Governance Code (see paragraph 11.2 of this Report).

Pursuant to the By-Laws, the CEO, as well as the Chairman, represents the Company to any judicial or administrative authority and with regard to third parties, as well as having signing authority.

d. Chairman of the Board of Directors

The Italgas Ordinary Shareholders' Meeting of 4 April 2019 appointed Alberto Dell'Acqua as Chairman of the Company's Board of Directors.

The Chairman is entrusted with the duties provided for by the Italian Civil Code, the Articles of Association and the Corporate Governance Code (the latter as also incorporated in the Board Regulations, see paragraph 4.5 above). Specifically, pursuant to Article 14.2 of the By-Laws, the Chairman:

- | chairs Shareholders' Meetings, performing the duties provided for by law and by the Shareholders' Meeting Regulation;
- | calls and presides over the Board of Directors' meetings and sets their agendas and coordinates the proceedings;
- | ensures the directors are provided with adequate information on the items on the agenda.

The Chairman does not have executive powers and does not have a specific role in the development of corporate strategies.

The Chairman as well as the CEO, represents the Company to any judicial or administrative authority and with regard to third parties, as well as having signing authority.

e. Other executive directors

With the exception of the CEO and General Manager, Paolo Gallo, there are no other members of the Board of Directors who qualify as executive directors pursuant to the Code of Corporate Governance.

f. Reporting to the Board

In compliance with the By-Laws, during the Financial Year, the CEO informed the Board of Directors and the Board of Statutory Auditors at Board meetings on the general performance, outlook, transactions of economic, financial and capital significance to the Company and its Subsidiaries.

The By-Laws also require that, at the meetings and at least on a quarterly basis, the Board of Directors and the Board of Statutory Auditors are informed, by the Chairman or any directors who are delegated the necessary duties, also with regard to transactions in which directors have an interest on their own account or that of third parties or are affected by a party that exercises direction and coordination activities (where applicable).

4.7 Independent directors and lead independent director

a. Independent directors

The Board of Directors in office at the closing date of the financial year is composed of nine members, six of whom are independent pursuant to both the CLF (Articles 147-ter, subsections 4 and 148, subsection 3, of the CLF)²¹ and the Corporate Governance Code (Article 2), and in particular:

- | Alberto Dell'Acqua, Chairman of the Board of Directors
- | Paola Annamaria Petrone, who holds the office of Chairman of the Control, Risk and Related Party Transactions Committee.
- | Giandomenico Magliano, who holds the offices of Chairman of the Sustainability Committee and member of the Control, Risk and Related Party Transactions Committee.
- | Veronica Vecchi, who is a member of the Sustainability Committee.
- | Andrea Mascetti, who holds the office of Chairman of the Appointments and Compensation Committee.
- | Silvia Stefini, who is a member of the Appointments and Compensation Committee and a member of the Control, Risk and Related Party Transactions Committee.

The existence of the independence requirements set out in the CLF and the then current Corporate Governance Code was ascertained by the Board of Directors on the basis of statements issued by the parties concerned, following the appointment on 4 April 2019 (as reported to the market on the same date) and on 26 February 2020.

Taking into account that the Company had already complied with the recommendations of the Corporate Governance Code in this regard, on 10 March 2021 it was ascertained, on the basis of statements made by the interested parties, that: (i) the existence of the independence requirements pursuant to the Consolidated Law on Finance and the Corporate Governance Code as at 31 December 2020 and (ii) the existence of the independence requirements pursuant to the Consolidated Law on Finance and the Corporate Governance Code as at 10 March 2021, also taking into account the quantitative and qualitative criteria applied to assess independence, as approved by the Board of Directors on 24 February 2021 (see below). In this regard, it should be noted that as of 10 March 2021, the Chairman was also independent pursuant to both the CLF and the Corporate Governance Code, as none of the circumstances set forth in Recommendation 7 of the Corporate Governance Code apply.

Finally, the verification of the existence of the independence requirements set forth in the CLF and in the Corporate Governance Code was carried out on 9 March 2022, as a result of which the six non-executive directors indicated above were found to be independent²².

²¹ Pursuant to the combined effects of articles 147-ter and 148, subsection 3, of CLF, the following persons may not be considered independent:

a) those who are in the conditions set out in article 2382 of the Italian Civil Code (i.e. interdicted and banned persons, disqualified persons, bankrupt persons or those persons who have been sentenced to a penalty entailing a ban, even temporary, from public office or the inability to exercise managerial functions);

(b) the spouse, parents and relatives to the fourth degree of the directors of Italgas S.p.A., the directors, spouse, parents and relatives to the fourth degree of the directors of the companies controlled by Italgas S.p.A., of parent companies and of jointly controlled companies;

(c) those persons who are linked with Italgas S.p.A. or with the companies controlled by the company, or with the companies that control it or which are subject to joint control namely the directors of the companies and the subjects referred to at b) above by independent employment or consultancy relationships, or other relationships of a financial nature that compromise independence.

²² In relation to Director Qinjing Shen, co-opted to replace the resigning Director Yunpeng He, the existence of the independence requirements pursuant to the CLF and the Corporate Governance Code has been ascertained on the basis of statements issued by the person concerned, following his appointment on 27 January 2022 (as per the press release issued to the market on the same date) and on 9 March 2022. As a result, Director Qinjing Shen was found to be a non-independent member of the Board

Moreover, the correct application of the evaluation criteria and procedures adopted by the Board to assess the independence of its members was verified, with positive results, by the Board of Statutory Auditors, following its appointment on 4 April 2019, as well as on 5 March 2020, 3 March 2021 and, lastly, on 3 March 2022. The existence of the requirements of independence is also scrutinised regularly by the Board of Directors or when specific circumstances that could result in the loss of the requirements of independence of one or more directors occur.

It should be noted to such purpose that on 24 February 2021, the Board of Directors, at the proposal of the Appointments and Compensation Committee and in order to adapt to the Recommendations of the Corporate Governance Code, approved the qualitative and quantitative criteria for assessing the independence of the Directors and Statutory Auditors of Italgas pursuant to Recommendation no. 7, letters c) and d) and identified the “close relatives” for the purpose of Recommendation no. 7, letter h) of the Corporate Governance Code.

Specifically, the independence of the Board Director or Statutory Auditor of Italgas is or appears to be compromised if he/she has, or had in the three previous financial years, directly or indirectly (e.g. through subsidiaries or companies of which he/she is an executive director, or as partner of a professional firm or consultancy company) a significant commercial, financial or professional relationship (“**Significant Relationships**”):

- a. with Italgas or with its subsidiaries, or with the relative executive directors or the top management of Italgas, the top management of Italgas meaning senior executives who are not members of the administrative body and have the power and responsibility for the planning, management and control of the activities of Italgas and the group it heads;
- b. with a subject who, also together with others through a shareholders’ agreement, controls Italgas; or, if the control is held by a company or another entity, with its executive directors or top management.

The Board of Directors of Italgas considers that Significant Relationships are usually considered as significant if the total annual fee deriving from these Significant Relationships exceeds the total amount of the fixed annual remuneration received by the Board Director or Statutory Auditor for the office and for any membership in committees (or bodies) recommended by the Code or established in the applicable regulations.

If the Board Director or Statutory Auditor is also a partner in a professional or a consulting firm, the Board of Directors will assess the significance of the professional relationships that may have an effect on his or her position and role within the professional or the consulting firm and in any event those pertaining to important transactions of Italgas and the Italgas group, even regardless of the quantitative parameters described above.

With regard to independence and additional remuneration, the independence of the Board Director or Statutory Auditor of Italgas is or appears to be compromised if he or she receives, or has received in the previous three financial years, from Italgas, one of its subsidiaries or the parent company of Italgas, significant remuneration other than the fixed remuneration for the position held and for membership in the committees recommended by the Code or required by law (“**Additional Remuneration**”).

The Board of Directors of Italgas considers that additional Remuneration is usually considered as significant if it amounts to or exceeds 50% of the total amount received by the Board Director or Statutory Auditor for the office and for any participation in committees (or bodies) recommended by the Code or established in the applicable regulations.

As regards the independence and identification of close family members, the independence of the Board Director or Statutory Auditor of Italgas is or appears to be compromised if a close family member is in one of the situations described in points a) to g) of Recommendation no. 7 of the Corporate Governance Code. The Board of Directors of Italgas considers as close relations, parents, adult children, non-legally separated spouses and co-habiting partners.

It should be noted, recalling the above, that the quantitative and qualitative criteria approved by the Board of Directors on 24 February 2021 and described above were applied during the checks on the existence of the independence requirements carried out on 10 March 2021 and on 9 March 2022.

It should be noted that, in making the above evaluations, the Board has considered all the information available (in particular, that provided by the directors, including through specific statements), evaluating all the circumstances that appear to compromise independence, as

identified by the CLF and the Code, and has applied (among other things) all the criteria set out in the Code with reference to the independence of directors. To this end, each non-executive director has provided all the elements necessary or useful for the Board's evaluation.

As also emerged from the results of the self-evaluation of the Board of Directors (see in this respect Paragraph 7.4 below of this Report), the number and competences of the non-executive and independent directors are adequate to the needs of the company and the operation of the Board, as well as for the establishment of the relevant Committees. Specifically, the presence of a reasonable number of non-executive and independent directors is aimed at ensuring that suitably reasoned decisions are taken, (also) subject to examination by directors to define matters extraneous to the operational management of Italgas and, among other things, remote from significant relations with both management and shareholders.

During the financial year and up to the date of approval of this Report - in compliance with Article 2, Recommendation 5 of the Code - the Company's independent directors met in the absence of the other directors on 12 February 2021 and 10 February 2022. On this last occasion, the board induction activities, the preparatory activities for the meetings of the Board of Directors and the internal Board Committees and the board debate were discussed. The meetings were coordinated by the Chairman of the Board of Directors.

b. Lead independent director

The Board of Directors of Italgas has not designated one of the independent directors as the lead independent director, not resorting to the pre-conditions which require this appointment to be mandatory pursuant to the Corporate Governance Code.



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5.0 | Management of Company Information and publication of quarterly financial information

5.1 Market Abuse Procedure

On 5 September 2016 the Board of Directors adopted a “market abuse procedure” (“**Market Abuse Procedure**”), based on a recommendation from the CEO. The Market Abuse Procedure was then updated on 30 May 2017. The Market Abuse Procedure described the rules on the prevention of market abuse, pursuant to and in accordance with Regulation (EU) 596/2014 (“**MAR**”) and relative implementing regulations, which the Company and its related parties must comply with.

5.2 Inside information, insider list and internal dealing procedures

The Board of Directors’ meeting of 13 December 2018 - following a procedure for the verification and updating of said Market Abuse Procedure initiated after the adoption of Consob Guidelines no. 1/2017 in relation to the “Management of Privileged Information” (the “**Guidelines**”), as well as the publication of new and/or updated ESMA Q & A and the changes made by Legislative Decree no. 107/2018 to the TUF - resolved to adopt three separate procedures for the management of privileged information, the insider register and internal dealing in place of the Market Abuse Procedure; such procedures were implemented in order to regulate in more detail the procedures for the fulfilment of the obligations established by applicable regulations.

More specifically, the Board of Directors adopted the following procedures:

i. Procedure for the public disclosure of Privileged Information pursuant to Article 17 of the MAR as well as the relative rules for execution and implementation of the European Commission and the Consob Guidelines, which regulates both internal management and external disclosure of Privileged Information (as defined in Article 7 of the MAR) and Confidential Information (as defined by the procedure) concerning the Issuer and the Subsidiaries;

ii. Procedure for the management of the Register of persons having access to Privileged Information in compliance with Article 18 of the MAR and the related norms for execution and implementation of the European Commission as well as the Guidelines;

iii. Procedure for the fulfilment of Internal Dealing obligations, drawn up in compliance with Article 19 of the MAR, the relative rules for execution and implementation of the European Commission, the relevant provisions of the CLF and the Issuers’ Regulation, Regulation (EU) 2019/2115 of the European Parliament, which regulates the disclosure obligations related to transactions on financial instruments performed by relevant persons (as defined in the procedure itself). This procedure was subsequently updated on 18 December 2020 (with effect as of 1 January 2021) so as to adapt to the EU Regulation 2019/2115 of the European Parliament and of the Council of 27 November 2019.

These procedures can be consulted on the website of Italgas under (i) and (iii): <https://www.italgas.it/en/governance/market-abuse-internal-dealing/market-abuse-procedure/>

5.3 Publication of quarterly financial information

Italgas has disclosed its intention to voluntarily publish financial information in addition to the Annual and Half-Year Financial Reports, consistent with the development of the reference regulatory framework and taking into account the requirements of stakeholders.

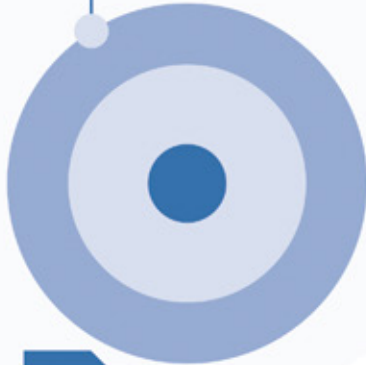
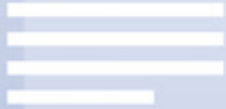
Specifically, during the Financial Year, the Board of Directors approved quarterly information with regard to at least the following indicators and published it in a press release in accordance with the times scheduled in the financial calendar:

- | key operating figures;
- | total revenue;
- | gross operating income for the period;
- | operating income for the period;
- | net result for the period;
- | investments;
- | free cash flow and change in the net financial debt.

The press release contains further qualitative and quantitative information needed to explain the development of the business properly. The financial calendar in force at the date of the approval of this Report can be consulted on the Company's website: <https://www.italgas.it/en/investors/financial-calendar/>

Italgas uses the "eMarket SDIR" to transmit Regulated Information and a centralised storage mechanism called "eMarket STORAGE" to store Regulated Information, accessible at the following address www.emarketstorage.com, both of which are managed by Spafid Connect S.p.A., with registered office in Foro Buonaparte 10, Milan.

Italgas also publishes press releases and documents on the website in order to guarantee all Investors and the market in general timely knowledge of the company business and corporate events, also offering the chance to gain more in-depth information. The publication of press releases and documents takes place in compliance with current legislation governing disclosure of relevant information and market abuse.



6.0 | Internal Board Committees

Pursuant to Article 13.8 of the By-Laws the Board of Directors can set up internal committees for providing advice and recommendations on specific issues, appointing and, if necessary, removing members and the Chairman.

On 4 August 2016, the Board of Directors established the following Committees:

- | Appointments and Compensation Committee, the tasks of which were allocated to a single committee (Appointments and Compensation Committee) on 23 October 2017;
- | Control, Risk and Related Party Transactions Committee;
- | Sustainability Committee.

The members of the Committees in office at the end of the Financial Year were appointed by the Board of Directors on 13 May 2019, in accordance with applicable legislation and the recommendations of the then current Corporate Governance Code²³.

It should be noted that the Board has determined the composition of the committees by giving priority to the competence and experience of their members and avoiding an excessive concentration of tasks.

It should be noted that on 18 December 2021, the Board of Directors adopted the new regulations of the Committees, so as to incorporate the Recommendations of the Corporate Governance Code, and that they are effective as of 1 January 2021.

The regulations provide, among other things, that:

- | the Chairman of each Committee plans and coordinates the Committee's activities, represents it, convenes, chairs and directs its meetings, informing the Board of Directors of the resolutions adopted by the Committee 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;
- | the notices convening the meetings are sent, on instruction from the Committee Chairman, to all members by the Secretary of the Committee 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. Notice of the meeting shall normally be sent at least 5 (five) days before the date set for the meeting or, in cases of necessity and urgency, at least 12 (twelve) hours before the time set for the meeting. During the year, these deadlines were generally met;

| any documentation relating to the items on the agenda is made available to the members of the Committee by the Secretary of the Committee via the aforementioned "Secure Area", as well as in other agreed forms that 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. During the year, this deadline was generally met;

| 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.

| each 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;

| 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; and (ii) signed by the Chairman of the meeting and the Secretary and kept on file in the Company's records.

The committees have the right to access information and the necessary company functions to carry out their duties.

The Committees are also given the necessary financial resources by the Board of Directors to fulfil their tasks and, under the terms established from time to time by the Board of Directors, they can seek recourse, through the company's structures, to external consultants not in a position to compromise the independence of the opinion.

²³ On 27 January 2022, the Board of Directors co-opted Mr Qinjing Shen to replace the resigning Director Mr Yunpeng He, and appointed him as a member of the Sustainability Committee to replace Mr Yunpeng He.

7.0 | Self-evaluation and succession of Directors. Directors' Remuneration Appointments and Compensation Committee

a. Directors' self-evaluation

As provided for in the Board Regulation, in compliance with the recommendations of the Corporate Governance Code for "large companies other than those with concentrated ownership", the Board carries out at least annually, in accordance with the procedures set out in the Code and with the support of the Chairman and the Appointments and Compensation Committee, which are responsible for its adequacy and transparency, an assessment of the size and composition of the Board itself and its Committees, as well as their operation, also taking into account the role played by the Board in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system; for the purposes of assessing its composition and that of its Committees, the Board also takes into account elements such as the professional characteristics, experience, including managerial experience, and gender of its members, as well as their seniority in office; all in accordance with the provisions of the "Policy for the diversity of corporate bodies" in force at the time.

On 17 December 2019, at the recommendation of the Appointments and Compensation Committee, the Board of Directors of Italgas resolved to confer a mandate for the three-year period 2019 - 2021 on an independent external consultant, Crisci & Partners, for the so-called board evaluation activity.

During the meeting held on 14 June 2021, the Board of Directors decided to exercise its right to terminate the contract with Crisci&Partners, entrusting the Board Evaluation activity to the external consultant Egon Zehnder for the current Board of Directors' last year of office, with the option and right of Italgas, also, to extend - by 30 June 2022 - the contract to the following three years of 2022, 2023 and 2024

The external consultant, who does not provide any other services to the Company or to the Subsidiaries, was appointed through a competitive procedure handled by the Legal & Corporate Affairs and Compliance Department. In particular, the Appointments and Compensation Committee formulated its proposal to the Board at the end of the meeting held on 10 June 2021, during which it evaluated the offers received and the methodologies and business plans presented. In October, November and December 2021, under the supervision of the Board of Directors and with the support of the Appointments and Compensation Committee, as recommended by the Corporate Governance Code, the board evaluation activity was carried out concerning the size, operation and composition of the Board and its Committees with reference to the Financial Year.

The Appointments and Compensation Committee supervised the self-evaluation process which was carried out in the following phases:

- | filling out a self-evaluation questionnaire by all members of the Board of Directors, specifically structured around Italgas' characteristics and the self-evaluation results of the second year of office, in order to understand in comparative terms the operation trends with respect to the previous year and check further progress. The questionnaire was also filled out by members of the Board of Statutory Auditors as observers. For each topic in the questionnaire adequate space for comments and suggestions was provided so that the individual contribution of each Director could be improved, also by reporting any issues that deserve further in-depth analyses;
- | individual in-depth discussions with the Chairman of the Board of Directors, the Chief Executive Officer, all Directors and the Chairman of the Board of Statutory Auditors, as an observer;
- | analysis by Egon Zehnder of the indications and results that emerged from the answers to the questionnaire and the interviews;
- | preparation of a final report on the results;
- | presentation of the results to the Appointments and Compensation Committee at the meeting on 3 December 2021;
- | presentation of the results and discussion at the Board meeting on 16 December 2021;
- | further examination of the results at the Appointments and Compensation Committee meeting on 19 January 2022, also in light of the Recommendations of the Corporate Governance Committee of December 2021;
- | discussion and sharing of the final findings at the Board meeting on 27 January 2022.

As a result of the board evaluation, the following areas of strength of the Board emerged:

- | quanti-qualitative profile, in terms of expertise, professionalism and experience represented by the Directors, also with respect to “diversity” considered in its various meanings. Specific consideration was also given to the topic of “soft skills”, placing particular emphasises on the importance of an independent mindset and integrity, being results-oriented, the ability to handle conflict constructively, and collaboration and ability to influence;
- | a balance between Executive and non-Executive Directors and between Independent and non-Independent Directors that ensures the proper functioning of the Committees, effective management of any conflict of interest and the protection of all Shareholders;
- | pride in the Company and the results achieved and strong motivation to be part of the Board;
- | organisation, number and duration of the Board meetings;
- | organisation of the agenda and balanced structure of the agenda for meetings, effectively balancing strategic matters and ordinary management;
- | power structure balanced between the Board’s supervision powers and the Chief Executive Officer’s management powers;
- | decision-making processes, marked by efficiency and effectiveness with an appropriate balance between the short and medium/long-term;
- | constructive and balanced relationship between the Chairman and Chief Executive Officer, which consolidated over time becoming more fluid in the third year of office;
- | role of the Chairman marked by increasing focus and effectiveness throughout the term of office, in particular in ensuring the adequacy and timeliness of the meeting agenda as well as information relating to the various items on the agenda;
- | leadership of the Chief Executive Officer in providing all Directors with information frameworks and analysis and in involving the Board in discussions of the scenarios and possible alternatives in the strategic definition phase;
- | collaborative dialogue and open relationships between the Board and Top Management and with the Heads of the control departments;
- | adequate information flows to the Board in terms of both content and the methods and timing with which they are sent out;
- | clarity and effectiveness of the presentations given to the Board by Management;
- | clear Company strategy agreed by the entire Board;
- | integration of ESG matters into the Company’s business strategy;
- | in-depth analyses of the main actual and/or potential causes of risk for the Company and full integration of risk profiles in the decision-making processes of the Board and the Committees;

| appropriate and effective organisational framework and managerial structures to achieve the set objectives.

Moreover, during the self-evaluation process, some areas of reflection emerged in order to make the governance and operation of the Board even more effective. These ideas to improve the Body were examined by the Board of Directors and will be assessed during any follow-up initiatives.

The Chairman of the Board of Directors, with the support of the Secretary of the Board of Directors and the Appointments and Compensation Committee, oversaw the adequacy and transparency of the Board’s self-evaluation process, ensuring and coordinating, among other things, an adequate Board discussion of the findings of the self-evaluation at the meetings of 16 December 2021 and 27 January 2022.

b. Succession plans

On 18 December 2020, the Board of Directors, at the proposal of the Appointments and Compensation Committee, approved a Contingency Plan in the event of early termination of the office of Chief Executive Officer or of permanent impediment to the performance of his/her duties, which provides as follows:

- | in the case of early termination of the office of Chief Executive Officer or of a permanent impediment in performing the functions of said office, the Chairman of the Board of Directors shall call a Board of Directors meeting (within 24 hours). In the absence of the Chairman of the Board of Directors, the Board of Directors is called by the most senior director in terms of age as per the provisions of art. 15 of Italgas Bylaws;
- | the Board of Directors which has met, shall, where possible, co-opt a Director and appoint the Chief Executive Officer conferring the relative powers on the person selected, or promptly start the process to identify a Chief Executive Officer, with the support of the Appointments and Compensation Committee, in the meantime conferring the powers for the ordinary management of the Company on a director;
- | the Appointments and Compensation Committee, also through a consultancy company specialized in the sector, shall make proposals to the Board of Directors on the identification of the person deemed most suitable to hold the role of Chief Executive Officer;
- | the Board of Directors, as proposed by the Appointments and Compensation Committee, shall go ahead and co-opt a Director and identify the new Chief Executive Officer conferring the relative powers on the person selected.

The Company is therefore in compliance with the Corporate Governance Code, as well as the recommendation of the letter of the Chairman of the Corporate Governance Committee dated 22 December 2020 and 3 December 2021 regarding the succession of executive directors.

During 2021, the Appointments and Compensation Committee conducted an analysis on the updating of the management succession plan with the support of a specialised independent advisor through a methodology that included: individual assessments, analysis of the perimeter of responsibility, expertise and skills required by the role, risks associated with each individual position and analysis of the pipeline of each key position, in order to identify a temporary internal "Contingency Plan" in the event of a crisis situation. The Company intends to complete the activities aimed at finalising the management succession plan to be submitted to the Board during 2022.

In accordance with Recommendation 23 of the Code (as mentioned above, applicable to companies other than those with concentrated ownership such as Italgas), on 21 February 2022, the Board, in light of the next renewal of the Board of Directors (scheduled with the Shareholders' Meeting to approve the financial statements as at 31 December 2021), expressed, subject to the favourable opinion of the Appointments and Compensation Committee, a view on its quantitative and qualitative composition, which it deemed as optimal, taking into account the results of the self-evaluation; and requested those submitting a slate containing a number of candidates exceeding half of the members to be elected, to provide adequate information, in the form of documentation submitted for filing the slate, on the compliance of the slate with the view expressed by the Board (also with reference to the diversity criteria), as well as to indicate their candidate for the office of Chairman of the Board. The policy was published on the Company's website, well in advance of the date of the Shareholders' Meeting, in the following sections: <https://www.italgas.it/en/governance/shareholders-meeting/> and <https://www.italgas.it/en/governance/board-of-directors/>.

c. Remuneration of directors (references)

The Report on Remuneration Policy and compensation paid, pursuant to art. 123-ter of the CLF, which was approved by the Board of Directors and will be made available to the public in accordance with the law, describes the Company's policies with regard to the remuneration of members of the Board of Directors, and of the Board of Statutory Auditors, of Executives with strategic responsibilities, gives the pay of members of the Board of Directors and Board of Statutory Auditors and Senior Managers with strategic responsibilities and information on any agreements between the Company and members of the Board of Directors that provide for indemnification in the event of dismissal or termination of employment without just cause or if their employment is terminated following a takeover bid.

d. Appointments and Compensation Committee

The Board of Directors' meeting held on 13 May 2019 confirmed the decision to allocate the functions regarding the remuneration of board directors and of executives with strategic responsibilities, as well as the appointment of board directors to a single Committee (the Appointments and Compensation Committee). This grouping, in line with the recommendations of the Corporate Governance Code in force at the time, as well as the current New Corporate Governance Code, complies with the composition requirements laid down by said Codes for both committees and ensures the proper performance of their duties in an effective and efficient manner.

7.1 Composition and operation

The Appointments and Compensation Committee in office at the date of this Report was appointed on 13 May 2019 and is composed of three non-executive members, two of whom meet the independence requirements of the CLF and the Corporate Governance Code.

The following table describes the members of the Appointments and Compensation Committee, as appointed by the Board of Directors on 13 May 2019 and in office at the date of approval of this Report.

Member	Position
Andrea Mascetti - Chairman	Independent non-executive
Maurizio Dainelli	Non-executive
Silvia Stefani	Independent non-executive

At the meeting held on 13 May 2019, the Board of Directors acknowledged, on the basis of an analysis of the professional profiles of the Directors who are members of the Committee, that the requirement of the Corporate Governance Code in force at the time has been met, since all members have specific competences in financial matters or remuneration policies; therefore, the requirements of the New Corporate Governance Code have also been met.

As provided for in the pertinent regulation, the Chairman of the Board of Statutory Auditors, or a Statutory Auditor designated by the latter, attends the meetings of the Appointments and Compensation Committee; the other members of the Board of Statutory Auditors may also attend the Committee's meetings. The Chairman of the Committee may also invite the Chairman of the Board of Directors, the CEO, the other directors, as well as the representatives of the competent company departments - informing the CEO - and persons external to the Company, to participate in individual meetings of the Committee, in order to provide information and assessments of competence with regard to individual items on the agenda.

During the financial year, the persons indicated in the following chapter 7.3 participated in the meetings of the Committee.

Depending on the items discussed on each occasion, the Head of the Legal and Corporate Affairs and Compliance department or the Head of Human Resources and Organisation acted as Committee Secretary and assist the Chairman in performing his duties.

Members of the Appointments and Compensation Committee 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 same 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.

7.2 Tasks

Pursuant to the relevant regulation, the Committee has the task of assisting and supporting the Board of Directors by performing the following duties and functions of making proposals and providing consultation.

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 New 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;

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, of: i) the indemnification to be paid in the event of termination of their employment; ii) non-compete 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.

7.3 Activities during the Financial Year

During the Financial Year, the Appointments and Compensation Committee met 11 times, with each meeting lasting, on average, 1 hour 19 minutes and minutes of the meetings were regularly taken. The table in Annex 1 shows the attendance of each member at the meetings of the Appointments and Compensation Committee. The meeting of the Appointments and Compensation Committee was usually attended by the Chairman of the Board of Statutory Auditors, the Statutory Auditor, Dr Marilena Cederna, the Head of Corporate Affairs and Governance and the Head of Compensation, Benefits and Welfare.

10 meetings of the Appointments and Compensation Committee are scheduled for the current financial year, 5 of which had already been held at the date of this Report, on 19 January, 7 February, 14 February, 28 February and 9 March 2022.

- a. In particular, during the Year, the Committee carried out, inter alia, the following activities:
- b. approved the Committee's half-yearly reports, which were then submitted to the Board of Directors;

in its capacity as Committee for Related-Party Transactions, it analysed the terms and conditions of the conciliation and consensual termination agreement and the non-compete agreement between the Company and the executive with strategic responsibilities, Dr Antonio Paccioretti, General Manager of Finance and Services.

WITH REGARD TO APPOINTMENTS:

- i. due note is taken of the annual report on the application of the Corporate Governance Code, presented by the Corporate Governance Committee;
- ii. the market benchmarks were examined as well as proposals formulated to be submitted to the Board of Directors regarding the qualitative and quantitative criteria for assessing the significance of existing commercial, financial or professional relationships and additional remuneration, for the purpose of assessing the independence of directors and statutory auditors, in compliance with Recommendation 7 of the new Corporate Governance Code;
- iii. examination and acknowledgement of the updated content of the "Compliance Standard - Policy for the Diversity of Corporate Bodies", and resolution to propose this update to the Board of Directors;

- iv. analysis of the results of the board evaluation carried out by Crisci & Partners for the 2020 financial year;
- v. resolution to submit to the Board of Directors, proposals for the appointment of the corporate bodies of Italgas Acqua S.p.A., Seaside S.p.A., Toscana Energia S.p.A., Bludigit S.p.A., and of one Director and of the Alternate Auditor of Italgas Reti S.p.A.;
- vi. Review of the proposed succession plan for management;
- vii. resolution of the proposal to the Board of Directors (i) to exercise the right to withdraw from the contract signed with Crisci & Partners for the Board Evaluation activity for the three-year period between 2019 and 2021 and (ii) to assign the board evaluation activity to Egon Zehnder for the last year of the mandate of the Board of Directors currently in office, with the option and right for Italgas to extend – by 30 June 2022 – the contract for the next 2022-2024 three-year period, which would concern the board evaluation of the Board of Directors to be appointed by the Shareholders' Meeting called to approved the financial statements as at 31 December 2021.
- viii. review of the board induction programme developed by Egon Zehnder's consultants;
- ix. supervision and definition, with the support of Egon Zehnder, of the board evaluation process and subsequent approval of the results, resolving to submit the relative report to the Board of Directors;
- x. receipt from the Director of Legal, Corporate and Compliance Affairs, Mr Alessio Minutoli, of a report on the opinion to shareholders on the composition of the Board of Directors pursuant to the new Corporate Governance Code;

WITH REGARD TO REMUNERATION:

- xi.** examination of market benchmarks relating to the remuneration position of the Chief Executive Officer, the Chairman and members of the Board of Directors and of the Board Committees and the Internal Audit Manager;
- xii.** review and approval of the changes to the incentive plans for employees appointed as member of the Independent Operator and as Compliance Officer, taking into account Italgas' submission to the unbundling regime;
- xiii.** review and approval of the new Co-Investment Plan for the three-year period between 2021 and 2023 and the "bonus bank" plan for the members of the Independent Operator and the Compliance Officer;
- xiv.** approval of the remuneration proposal for the Internal Audit Manager and resolution to submit it to the Control, Risk and Related Party Transactions Committee;
- xv.** acknowledgement of the information provided by Mr Pietro Durante, Chief Human Resources Officer, regarding the approach for the calculation of the 2020 targets and the consequent determinations for the related 2021 incentive plans;
- xvi.** analysis of the draft report on the Remuneration Policy for the financial year 2021 and the Remuneration Paid during the financial year 2020;
- xvii.** examination of the market benchmarks relating to the remuneration of Executives with Strategic Responsibilities
- xviii.** analysis of the summary of the Shareholders' Meeting vote on the 2021 Remuneration Policy and remunerations paid in 2020;
- xix.** Receipt of the information regarding the calculation of the allocation described, for the year 2021, to the CEO under the Long-Term Monetary Incentive Plan 2020-2022;
- xx.** examination of the panels proposed for market benchmarks relating to the remuneration position of the Chief Executive Officer, the Chairman, the Non-Executive Directors, the Board Committees and the Board of Statutory Auditors;
- xxi.** review of the main improvements made to the Report on Remuneration Policy 2022 and remunerations paid in 2021.

Pursuant to the relevant regulation, the Committee meets as often as required 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.

Committee discussions and debate were coordinated by the Chairman of the Committee; at the first meeting of following each Committee meeting, the same reported to the Board with regard to subjects dealt with and the observations, recommendations and opinions formulated. Minutes of the meetings were always taken.

The Appointments and Compensation Committee Regulations can be consulted on the Company's website: <https://www.italgas.it/wp-content/uploads/sites/2/2021/07/Regulation-of-Appointments-and-Compensations-Committee-1.pdf>



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8.0 | Control, Risk and Related Party Transactions Committee

8.1 Composition and operation

The Control, Risk and Related Party Transactions Committee is composed of three non-executive members, all of whom must be independent as required by the CLF and the Corporate Governance Code.

Pursuant to the relative regulations, the Committee overall shall hold adequate competences in the sector in which the company operates, functional in assessing related risks. At least one member of the Control, Risk and Related Party Transactions Committee must have adequate experience in accounting and financial matters or risk management, assessed by the Board of Directors at the time of appointment.

The table below describes the members of the Control, Risk and Related Party Transactions Committee, as appointed by the Board of Directors on 13 May 2019 in office until the date of the approval of this Report.

Member	Position
Paola Annamaria Petrone - Chairman	Independent non-executive
Giandomenico Magliano	Independent non-executive
Silvia Stefini	Independent non-executive

At the meeting held on 13 May 2019, the Board of Directors verified, based on an analysis of the professional profiles of the Directors composing the Committee, that the requirement of the then current Corporate Governance Code was met, since all members have specific skills in accounting and finance or risk management; therefore, the requirements of the New Corporate Governance Code are also met.

Written minutes of the meeting are taken by the Internal Audit Manager who acts as secretary and assists the Chairman in carrying out his/her duties.

As provided for in the pertinent regulation, the Chairman of the Board of Statutory Auditors or a Statutory Auditor designated by the latter attends the meetings of the Control, Risk and Related Party Transactions Committee; the other members of the Board of Statutory Auditors may also attend the Committee's meetings. The Chairman of the Committee may also invite the Chairman of the Board of Directors, the CEO, the other directors, as well as the representatives of the competent company departments - informing the CEO - and persons external to the Company, to participate in individual meetings of the Committee, in order to provide information and assessments of competence with regard to individual items on the agenda.

During the financial year, the persons indicated in the following chapter 8.3 participated in the meetings of the Committee.

8.2 Tasks

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. assesses the suitability (at least verifying that the preparation process is correct) 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. may ask the Head of Internal Audit 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. may request other audits from the Head of the Internal Audit department that are not required by the Audit Plan, subject to the available resources;
- 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 CRCRPT after hearing the opinion of the Appointments and Remuneration Committee;
- l. it assesses, at the time of the appointment, the integrity, professionalism, expertise, independence and necessary experience of the Head of the Internal Audit department, as well as any incompatibilities, even 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.

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

The Control, Risk and Related Party Transactions Committee reports to the Board of Directors:

- | at the first meeting of the Board after each of its own meetings, with regard to subjects dealt with and the observations, recommendations and opinions formulated;
- | at least once every six months - and as a rule at (or prior to) the meetings held to approve the annual financial report and the half-year financial report - on the activities carried out and the adequacy of the internal control and risk management system.

The Control, Risk and Related Party Transactions Committee constitutes part of an integrated system of internal controls and risk management for Italgas. In this sense, the regulation establishes specific information flows between the committee and other bodies and functions with specific tasks with regard to internal controls and risk management.

8.3 Activities during the Financial Year

During the Financial Year, the Control, Risk and Related Party Transactions Committee carried out, inter alia, the following activities:

- | it regularly examined the activity of the Officer responsible for the preparation of financial reports and the adequacy of the SCIS model;
- | it made a detailed analysis of the management system as regards occupational health and safety;
- | it analysed the periodic report on the activities conducted by the Supervisory Body;
- | it examined changes in the law as regards market abuse regulation and analysed the report on legal compliance;
- | it analysed the Enterprise Risk Management system (ERM) applied by the Company;
- | periodic analysis of the financial, tax and cyber risks;
- | in-depth risk analysis of the Procurement and Human Resources Departments;
- | updating of the compliance standard, "Transactions involving the interest of the Directors and Statutory Auditors and Transactions with Related Parties";
- | updating of the Enterprise Risk Management Compliance Standard and the Operational Process Manual;
- | updating of the Process Standards Sustainability Model, SCIS Procedure and Financial Reporting Procedure;
- | analysis of the Management Review for preventing and combating corruption and the 2021 Improvement Plan in accordance with UNI:ISO 37001;
- | examination of the DPO's annual Response;
- | examination of the "Guidelines on the internal control and risk management system"²⁴;
- | issuing two opinions on two transactions with related parties of lesser significance pursuant to the RPT Procedure;
- | it examined activities involving the Internal Audit Manager and the Internal Audit department, specifically:
 - > examination and update of the "Guidelines on internal audit activities";
 - > preparatory examination for the definition of the fixed and variable components of remuneration of the Head of Internal Audit;
 - > analysis of the activities conducted by Internal Audit, the methods used and the information flows consistent with the indications in the "Guidelines on internal audit activities";

- > analysis of reports;
- > analysis of the QAR (Quality assessment Review) findings;
- > analysis of the proposed audit plan for 2022 prepared by Internal Audit.

During the Financial Year, the Control, Risk and Related Party Transactions Committee met 12 times, of which three in joint session with the Sustainability Committee, with each meeting lasting, on average, 3 hours and 30 minutes and the meetings regularly minuted. The table in Annex 1 lists the attendance of each member at the meetings of the Control, Risk and Related Party Transactions Committee during the Financial Year. During the Financial Year, external parties attended meetings of the Committee, at its invitation, so as to provide information and in-depth analyses, as did the Chairman of the Board of Statutory Auditors and/or other statutory auditors who routinely attended.

Pursuant to the relative regulations, 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. Twelve meetings of the Control, Risk and Related Party Transactions Committee are scheduled for the current business year, four of which had already been held at the date of the approval of this Report, on 26 and 31 January, 17 and 25 February 2022. On 25 February 2022, the Committee met jointly with the Board of Statutory Auditors and, limited to one item on the agenda, also with the Sustainability Committee.

Committee discussions and debate were coordinated by the Chairman of the Committee. The Committee Chairman, or another member in his/her place, reports regularly on its activities to the Board of Directors at the first appropriate meeting, as required by the Corporate Governance Code.

In carrying out its functions, the Committee had the opportunity to access information and the necessary company functions needed to carry out its duties.

The Regulation of the Control, Risk and Related Party Transactions Committee can be consulted on the Company's website: <https://www.italgas.it/wp-content/uploads/sites/2/2021/07/Regulation-of-Control-Risk-and-Related-Party-Transaction-Committee.pdf>

²⁴ The application of the Guidelines on the internal control and risk management system takes effect as of 1 January 2021, in line with the Corporate Governance Code.

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nell'industrializzazione
svolge un ruolo
fondamentale
in un servizio
pubblico essenziale
da quasi 200 anni.

Early years of industrialisation through to
the digital revolution: Italgas has been providing an
essential public service for almost 200 years.



È nata a Torino, nel 1837,
espandendosi nel Novecento
su tutto il territorio nazionale.

The company's history began in Turin in 1837,
before expanding across Italy over the course
of the 20th century.



Il gas prodotto nelle antiche
officine e ora il metano,
che scorre nella rete sotterranea
di distribuzione, hanno rivoluzionato
le nostre abitudini.

The gas produced in its old workshops - methane today
has flowed through the underground distribution
network, bringing major change into the way we live
and work.



L'Illuminazione stradale,
la cottura dei cibi e il riscaldamento
degli ambienti.

Street lighting, food cooking and heating
of environments.



Gli utilizzi nel riscaldamento
e nella produzione di energia.

Uses in heating and energy production.



Con il tempo si è
evoluta.



9.0 | Sustainability Committee

9.1 Composition and operation

Pursuant to the regulation, the Sustainability Committee is composed of three non-executive members.

The table below describes the members of the Committee, as appointed by the Board of Directors on 13 May 2019 and in office at the end of the Financial Year.

Member	Position
Giandomenico Magliano - Chairman	Independent non-executive*
Yunpeng He	Non-executive**
Veronica Vecchi	Independent non-executive*

Written minutes of the meeting are taken by the Head of the Corporate Affairs and Governance Department, who acts as secretary and assists the Chairman in carrying out his/her duties.

As provided for in the relevant regulation, the Chairman of the Board of Directors, the CEO, the Chairman of the Board of Statutory Auditors and the Heads of the relevant departments are invited to attend the meetings of the Sustainability Committee; other members of the Board of Statutory Auditors may also attend the meetings; the Chairman of the Committee may also invite other directors to attend individual meetings, as well as other members of the relevant company departments - informing the Chief Executive Officer - or individuals from outside the Company to provide information and express their assessments with reference to the individual items on the agenda.

* Independent pursuant to the CLF and the Corporate Governance Code.

** On 27 January 2022, the Board of Directors co-opted Mr Qinjing Shen to replace the resigning Director Mr Yunpeng He and appointed him as a member of the Sustainability Committee.

9.2 Tasks

The Committee carries out investigation, proposal and consultation functions with regard to the Board of Directors on matters of sustainability, understood as the guidelines, processes, initiatives and activities intended to oversee the commitment of the Company to sustainable development along the value chain, aimed at pursuing sustainable success, with the support of the Head of the relevant department (Head of the Sustainability department) who liaises with the various corporate departments.

| examines and evaluates:

- > the sustainability policies aimed at ensuring the creation of value over time for shareholders and for all other stakeholder in the long-term with regard to the principles of sustainable development; this also in order to support the Board of Directors in the preparation of the business plan;
- > the sustainability guidelines, objectives, plans, instruments and consequent processes;
- > the disclosure of non-financial information pursuant to legislative decree no. 254/2016, to be submitted to the Board of Directors, in coordination with the Control, Risk and Related Party Transactions Committee in relation to the assessment by the latter of the suitability of the periodical financial and non-financial information for the purpose of correctly representing the business model, the Company's strategies, the impact of its activities and the performance achieved;
- > the integration of ESG aspects into the ERM matrix;
- > the Company's stakeholder engagement policy;

| monitors the Company's guidelines and positioning with regard to financial markets on the issue of sustainability, with reference also to the placement of the Company on the ethical/sustainability indices;

| examines national, European and international undertakings and initiatives with regard to sustainability and the participation of the Company in them, aimed at consolidating sustainable success and corporate reputation internationally;

| examines any sustainability initiatives in agreements submitted to the Board of Directors, also with regard to the subject of climate change;

| examines the profit and non-profit strategy, as well as the gas advocacy of the Company;

| expresses, at the request of the Board, an opinion on other matters regarding sustainability.

The Committee, after every meeting, updates the Board of Directors, at the first available meeting, on the topics discussed and the comments, recommendations and opinions formulated therein; it also reports to the Board, at least once every six months, not later than the date for the approval of the annual and half-yearly report, on its activities at the meeting specified by the Chairman of the Board of Directors.

9.3 Activities during the Financial Year

During the Financial year, the Sustainability Committee met 13 times, three of which in joint session with the Control, Risk and Related Party Transactions Committee. The average duration of each meeting of the Sustainability Committee was two hours and 12 minutes, while the average duration of each meeting held jointly with the Control, Risk and Related Party Transactions Committee was 48 minutes.

Pursuant to the relative regulations, the Committee shall meet with the frequency needed to discharge its duties, and, in any event, when a meeting is necessary or opportune. 13 meetings of the Sustainability Committee are scheduled for the current financial year and four meetings had already been held at the date of approval of this Report, on 25 January, 21 February, 25 February and 9 March 2022. On 25 February 2022, the Committee met, limited to one item on the agenda, in joint session with the Control, Risk and Related Party Transactions Committee.

The Director of External Relations and Sustainability and the Head of Sustainability attended all Sustainability Committee meetings and, together with the Head of Corporate Affairs and Governance, supported the Chairman in setting the Committee's agenda.

Specifically, during the Year, the Committee carried out the following activities:

- i. definition of the planning of the Committee's activities in 2021;
- ii. examination of the planning of the activities of the Sustainability Department;
- iii. examination of the Italgas Sustainability Policies in place and the performance of a first examination of the integration and updating proposals;
- iv. examined the half-yearly Sustainability Plan review activities;
- v. analysed the sustainability indicators assisted by the Head of Sustainability, Mr Montanini;
- vi. positively assessed the contents of the new Sustainability Model;
- vii. analysis of the update on the operational and methodological information on the process of preparing the 2021 Integrated Financial Statements of Italgas, together with the Officer responsible for the preparation of the company's financial reports and the SCIS Manager;
- viii. analysed the Integrated Annual Report, subsequently submitted to the Board of Directors;
- ix. examination of the results of the 2021 Report on the adequacy of the Italgas Group's Internal Control System for Corporate Reporting, promptly and in fully extended to non-financial/sustainability data;
- x. analysed the draft Sustainability-Linked Bond framework assisted by the Chief Financial Officer, and Mr Massimiliano Silvestri, Head of Finance;
- xi. received an information notice on bank loans with ESG characteristics from the Chief Financial Officer and the Head of Finance;
- xii. acknowledged inclusion of Italgas in the MIB ESG Index;
- xiii. received an information notice from the Head of Investor Relations, on the assessment and updating of sustainability rating indexes;
- xiv. received an information notice from the Head of Integrated Legal Compliance and Anti-corruption, on the renewal of the anti-corruption certification UNI ISO 37001;
- xv. received an information notice from the Representative of the Supervisory Bodies, on the updating of the Organisation, Management and Control Model of Italgas pursuant to Legislative Decree 231/2001.
- xvi. analysis of the Assonime Report on "Duties of the directors and sustainability";
- xvii. analysis of the Sponsorship Report, thus completing the Donations Report analysed at the meeting of 10 February 2021;
- xviii. analysis of the Key ESG Indicators in connection with the Strategic Plan;
- xix. examination of the function and structure of the Heritage Lab, whose mission is to promote Italgas' historical, artistic and cultural heritage and the digitisation of Italgas' historical archive;
- xx. review of the Sustainability Policy and the Corporate Citizenship Policy, presented by the Director of External Relations and Sustainability and the Head of Sustainability;

- xxi.** meeting with the Head of Investor Relations, who updated the Committee on the work carried out by the structure for the purposes of the DJSI Indices;
- xxii.** receipt of the Science Based target information from the Head of Sustainability;
- xxiii.** analysed the update to the materiality matrix;
- xxiv.** examined the “Sustainability Model” Process Standard together with the Officer responsible for the preparation of financial reports and the Head of SCIS;
- xxv.** review of the “Financial Reporting Procedure” Process Standard and the “SCIS Procedure” Process Standard together with the Officer responsible for the preparation of the company’s financial reports and the Head of SCIS;
- xxvi.** examination of the 2020 Donations’ Report;
- xxvii.** examination of the results of the FTSE4Good, together with the Investor Relations Manager;
- xxviii.** analysis of the update on the operational and methodological information on the process of preparing the 2021 Integrated Financial Statements of Italgas S.p.A., together with the Officer responsible for the preparation of the company’s financial reports and the SCIS Manager;
- xxix.** analysis and provision of input on the 2020 Corporate Governance Committee Report, with the support of the Head of Corporate Affairs and Governance;
- xxx.** examination of the update of the “Policy for the diversity of corporate bodies”;
- xxxi.** met the Head of Group Security;
- xxxii.** met the Head of Corporate Strategy;
- xxxiii.** met the Head of Procurement and Material Management and the Sustainability, Reporting & Processes Department;
- xxxiv.** met the CEO of Italgas Reti S.p.A., who illustrated the new structure and mission of the Italgas Reti S.p.A. subsidiary;
- xxxv.** met with the HR&O department, in the person of the Director of Human Resources & Organisation;
- xxxvi.** approved the Committee’s half-yearly reports, which were then submitted to the Board of Directors.

In addition, at the joint meetings with the members of the Risk Control and Related Party Transactions Committee, the Sustainability Committee:

- xxxvii.** positively assessed the disclosure of non-financial information – in accordance with Legislative Decree No. 254/2016 – to be submitted to the Board of Directors.

It should also be noted that on 25 January 2022, the Sustainability Committee approved a Report on the main activities carried out in the three-year period of its mandate, which was subsequently presented to the Board of Directors.

The current Sustainability Committee Regulations can be consulted on the Company’s website:

https://www.italgas.it/export/sites/italgas/italgas-gallery/Documenti_it/Regolamento-Comitato-Sostenibilita.pdf



10.0 | Internal Control and Risk Management System

10.1 Internal Control and Risk Management System

a. Adoption and structure of the Internal Control and Risk Management System

Following the decision to adhere to the Corporate Governance Code on 4 August 2016 the Board of Directors, with the support of the Control, Risk and Related Party Transactions Committee, adopted its own Internal Control and Risk Management System, understood as a set of rules, procedures and organisation structures for Italgas aimed at allowing the identification, measurement, management and monitoring of the main risks. In this context, and also in order to fully implement the provisions of the Corporate Governance Code, on 1 December 2016 Italgas adopted an Enterprise Risk Management department ("ERM"), originally reporting directly to the General Manager of Finance and Services, and currently to the Chief Financial Officer, with the task of developing a uniform methodology for identifying, measuring, managing and monitoring of primary business risks.

The guiding principles on which the Internal Control and Risk Management System is based, as defined by the Board of Directors in the Code of Ethics, are:

- | the segregation of duties between the persons in charge of the authorisation, executive or control functions;
- | the existence of company regulations that can provide general benchmark principles for governing corporate processes and activities (specifically a Regulatory System);
- | the existence of formal rules for the exercise of signatory powers and internal powers of authorisation;

| traceability (guaranteed through the adoption of information systems that can identify and reconstruct sources, information and checks carried out in support of the formation and implementation of the Company's decisions and financial resources management procedures).

The Internal Control and Risk Management System is updated regularly by CEO and the Board of Directors, with the support of the Control, Risk and Related Party Transactions Committee, under their respective spheres of responsibility, in order to guarantee constant suitability to oversee the main risk areas of business activities.

The Italgas Internal Control and Risk Management System is based on an integrated control model with the identification of the tasks of each body and department involved and concrete coordination procedures between them, as specifically governed in the precise rules and procedures that are part of the Internal Control and Risk Management System.

Management is primarily responsible for applying the Control and Risk Management System since control activities are an integral part of managerial processes. Management must therefore foster an atmosphere that is actively orientated towards control and, in particular, oversee "line controls", which are all the control activities that the individual operating units or companies carry out on their processes. Specifically, Italgas' risk management system comprises the following three levels of internal control:

Level One:	<p>identification, evaluation and monitoring of risks inherent to the individual Group processes.</p> <p>The Italgas Group departments that bear the individual risks, and are responsible for identifying, measuring and managing them as well as for implementing the necessary controls, are located at this level.</p>
Level Two:	<p>monitoring of the main risks to ensure that they are effectively and efficiently managed and processed, and monitoring of the adequacy and functioning of the controls put in place to protect against these risks; support for Level One in defining and implementing adequate management systems for the main risks and related controls.</p> <p>This level contains Italgas Group personnel charged with coordinating and managing the main control systems (corporate administrative responsibility, disclosure, anti-corruption, anti-trust; Tax Control Framework).</p>
Level Three:	<p>independent and objective verification of the operating effectiveness and adequacy of Levels One and Two, and in general of the overall risk management methods.</p> <p>This is carried out by the Internal Audit department, the activities of which are directed and guided by the "Guidelines on internal audit activities" approved by the Board of Directors.</p>

On 18 December 2020, in compliance with the New Corporate Governance Code, the Board of Directors adopted the Guidelines on the Italgas Group Internal Control and Risk Management System, of which the Guidelines on internal audit activities are an integral part, effective from 1 January 2021, dictating: (i) on the one hand, the general principles according to which Italgas manages the Group's main risks in line with the strategic objectives identified and in order to contribute to Italgas' sustainable success; (ii) on the other hand, the coordination and information flow procedures between the various actors involved, in order to maximize the effectiveness of the Control and Risk Management System, and its efficiency (reducing duplication of activities), and ensure effective performance of the Board of Statutory Auditors' duties.

The integrated system involves multiple actors with different corporate roles (governance and control bodies, corporate structures, management), who carry out activities that are coordinated and interdependent, as well as complementary in the aims pursued, structural features and rules of operation and specifically:

- | the **Board of Directors**, whose role is to provide guidance and assess the adequacy and effectiveness of the Control And Risk Management System;
- | the **Chief Executive Officer**, who is in charge of establishing and maintaining an effective Control And Risk Management System;
- | the **Control, Risk and Related Party Transactions Committee**, set up within the Board of Directors to support the assessments and decisions made by the Board of Directors relating to the Control And Risk Management System, as well as those relating to the approval of regular financial and non-financial reports (see Chapter 8 of this Report above);
- | the **Sustainability Committee**, set up within the Board of Directors to support it by investigating, proposing and advising it on sustainability matters, these being the processes, initiatives and activities intended to oversee the commitment of the Company to sustainable development along the value chain, aimed at pursuing sustainable success. In the context of the Control And Risk Management System, the Sustainability Committee coordinates with the CRRPTC for the purposes of the latter's assessment of the suitability of regular, financial and non-financial information to correctly represent the company's management and organisation model, its strategies, the impact of its activities and the performance achieved (see Chapter 9 of this Report);
- | the **Board of Statutory Auditors**, also in its capacity as the "Internal Control and Audit Committee" pursuant to Legislative Decree no. 39 of 27 January 2010, which oversees the effectiveness of the Control And Risk Management System;
- | the **Supervisory Body**, that supervises the operation, compliance with and updating of the Model 231;
- | the **Officer responsible for the preparation of financial reports**, whose activities are governed by Law No. 262/2005;
- | the **Head of the Internal Audit department**, responsible for verifying that the Control and Risk Management System is operational and suitable, as well as consistent with the Guidelines of the Internal Control and Risk Management System (which represent the so-called third level of control);
- | the **other corporate functions and roles with specific internal control and risk management duties**, structured according to the size, complexity and risk profile of the company (who represent the so-called second tier of control).

b. Italgas Enterprise Risk Management

Italgas has an Internal Control and Risk Management System integrated into the organisational, administrative and accounting structure and, more generally, a corporate governance system that ensures compliance with the laws and company procedures, protects the company assets and contributes to the management of activities, solidifying the accounting and financial data processed.

The Enterprise Risk Management (ERM) unit, set up to report to the Chief Financial Officer, is tasked with overseeing the Group's integrated business risk management process. The ERM activities focus on the definition of a homogeneous, transversal model for assessing the risks, identifying priority risks, ensuring consolidation of the mitigation actions and developing a reporting system.

The ERM methodology adopted by the Italgas Group is in line with the reference models and the existing international best practices (in particular, the 2017 COSO framework relative to the Enterprise Risk Management, issued by the Committee of Sponsoring Organizations of the Treadway Commission, and ISO 31000:2018). The process for the identification, assessment, measurement and management of the risks is carried out periodically, at least once a year, on the basis of the importance of the risk and any changes in context.

The activities directly involve all (first, second and third level of control) company departments through dedicated meetings allowing updates to the information to be incorporated, as regards the description, significance and management of the risks already existing in the portfolio, and the detection of new emerging risks. These activities are carried out in a way that covers the entire scope of the Group and all the potential applicable events. In order to ensure the correct assessment and prioritisation of risk events, the assessment is carried out considering the following potential types of impact: economic-financial; operative; legal, governance and compliance; environment, health and safety; reputation and market. The ERM model establishes an integrated, cross-cutting and dynamic risk assessment that enhances the management systems already existing in the individual business processes. Each risk is assessed using a specific assessment scale that sets out the thresholds of relevance for the Group and attributes a "rating" to each risk, thereby making it easier to prioritise them. For all risks, the risk ownerships are identified and attributed and the management strategies are defined, broken down into specific actions for dealing with the risk and establishing the relative implementation time.

With reference to strategic risks, the Enterprise Risk Management Department, in coordination with all relevant departments, carries out a specific in-depth analysis of risks, opportunities and uncertainties related to the Strategic Plan. The analysis is conducted using a proprietary Monte Carlo simulation model that uses the information gathered on risks, opportunities and volatility and on related correlations to generate a multitude of alternative scenarios for the evolution of the variables underlying the Strategic Plan and evaluates their overall impact on the value drivers. In addition, specific "what if" scenarios are identified in relation to the reference context on which the Strategic Plan is based, and the impacts that these scenarios would have on the strategic agenda are then assessed. The analysis allows estimation of the overall

volatility of the defined economic and financial targets and evaluation of the level of resilience of the Strategic Plan. The "Strategic Plan" document, which has been approved by Italgas S.p.A.'s Board of Directors, contains the output of this analysis

The Enterprise Risk Management Department draws up specific summary reports on the identification, assessment and management of the risks and shares them with the different company levels. The results found in relation to the main risks and related management plans are presented at each update to the Control, Risk and Related Party Transactions Committee and at least annually to the Board of Directors.

In particular, the Chief Executive Officer, in his capacity as CEO in charge of setting up and maintaining the internal control and risk management system, presented the results of the analysis of risk mapping as at 31 December 2020 to the Issuer's Board of Directors on 24 February 2021, and during the Financial Year, the Enterprise Risk Management Department attended six meetings of the Control, Risk and Related Party Transactions Committee: on 12 February 2021 for the risk mapping analysis as at 31 December 2020, on 14 May 2021 for the sharing of updates to the ERM Compliance Standard and the Operational Process Manual, on 22 June 2021 for the risk/opportunity analysis of the strategic plan, on 20 July 2021 for the risk mapping analysis as at 30 June 2021, on 20 October 2021 for the risk mapping analysis as at 30 September 2021. In addition, specific focuses on financial, fiscal, procurement, human resources & organisation and cyber risks were presented by the relevant departments.

Moreover, the mapping of risks and the relative management strategies are presented periodically to the Board of Statutory Auditors and the Supervisory Body of Italgas and to the Boards of Statutory Auditors and the Supervisory Bodies of the Subsidiaries. In detail, the Enterprise Risk Management Department attended the meetings of the Board of Statutory Auditors of the Issuer on 14 May and 20 July 2021, and the meetings of the Board of Statutory Auditors of Italgas Acqua S.p.A. on 4 March and 27 May 2021; on 13 May 2021, the meeting of the Board of Statutory Auditors of Toscana Energia S.p.A.; on 29 March and 15 November 2021, the meetings of the Issuer's Supervisory Body; on 30 March and 25 October 2021, the meetings of the Supervisory Body of Italgas Reti S.p.A.; on 9 April and 10 November 2021, the meetings of the Supervisory Body of Italgas Acqua S.p.A.; on 9 April and 22 November 2021, the meetings of the Supervisory Body of Seaside S.p.A.; on 21 April and 17 November 2021, the meetings of the Supervisory Body of Medea S.p.A.; on 1 April and 9 November 2021, the meetings of the Supervisory Body of Gaxa S.p.A.; on 23 March and 12 October 2021, the meetings of the Supervisory Body of Toscana Energia S.p.A. and, finally, on 23 November 2021, the meeting of the Supervisory Body of Bludigit S.p.A.

The Officer Responsible and the Internal Audit department periodically receive the results of the risk assessments performed by the ERM unit.

The Issuer's risks are summarised in the dedicated section of the Group's consolidated integrated financial statements ("Risk Management and Internal Control System") which can be consulted on the website: <https://www.italgas.it/en/investors/financial-statements-presentations/>

c. Principal characteristics of the existing risk management and internal control systems in the corporate reporting process

On 24 February, the Board of Directors approved an amendment to the Compliance Standard on the Corporate Reporting Internal Control System (SCIS), which is the process designed to provide reasonable assurance regarding the reliability of corporate reporting (financial and non-financial) and the ability of relevant business processes to produce such reporting in accordance with applicable laws and generally accepted accounting standards.

The structure of the corporate reporting internal control system was revised to reflect the new reporting processes prepared and illustrated in the Integrated Annual Report, updating the corresponding Compliance Standard currently in force to ensure that the same method is applied to the processing of non financial data.

Italgas Group's SCIS is therefore understood as a set of all the tools necessary or useful for directing, managing and verifying the accuracy and reliability of Corporate Reporting to the outside world, contained in the integrated Annual Report, which includes the Integrated Report on Operations, the Consolidated Financial Statements and the Annual Financial Statements, as well as any other corporate communication with accounting content (such as, for example, press releases and prospectuses prepared for specific transactions).

The SCIS therefore includes the regulatory tools (compliance standards, process standards, manuals, etc.) and controls that:

- | relate to the production and filing of accounting documents and records that accurately, faithfully and with a reasonable level of detail reflect the company's transactions (including the processes of gathering and processing information involving the departments responsible for preparing accounting documents and the staff and business departments that provide data and information);
- | provide reasonable assurance that information and transactions are recognised in a manner that permits preparation of the Integrated Annual Report and other financial disclosures in accordance with generally accepted accounting standards, regulations, frameworks and guidelines;
- | provide reasonable assurance regarding the prevention or timely detection of errors or fraud that could have a significant effect on Corporate Reporting.

The staff and business departments which provide data and information relevant to the Corporate Reporting System are required to adopt, where necessary, adequate controls and regulations to ensure the completeness and correctness of the information for which they are responsible, consistently with the provisions of the legislation concerning the methodology and operating procedures for implementing the SCIS.

The "reasonable assurance" that SCIS seeks to ensure, consists of the existence of a relatively low (remote) risk that significant misrepresentations in Corporate Reporting, caused by unintentional error or fraud, will occur or will not be promptly detected.

Data or information are considered significant if their absence or inaccurate representation may influence the economic and investment decisions of the parties to whom the information is communicated. In this context, both the quantitative and qualitative elements that characterise the data or information and the particular circumstances of their omission or inaccurate representation are relevant.

The effectiveness of SCIS is dependent on its ability to reduce to a remote level the possibility of fraud or significant error occurring or not being detected in a timely manner.

Italgas has adopted a body of rules that defines the regulations, methodologies, roles and responsibilities for designing, establishing, maintaining and assessing the effectiveness of the Group's Corporate Reporting Internal Control System which applies to Italgas and its subsidiaries.

The internal control and risk management model adopted by Italgas and its subsidiaries with regard to corporate reporting was defined in accordance with the provisions of the above-mentioned Article 154-bis of the CLF and is based, in methodological terms, on the "COSO Framework" ("Internal Control – Integrated Framework"), the international reference model for the establishment, updating, analysis and assessment of the internal control system, for which an update was published in May 2013.

The planning, institution and maintenance of the Corporate Reporting Internal Control System are achieved through the activities of scoping, identifying and assessing the risks and controls (at the business level and process level through the activities of risk assessment and monitoring) and the related information flows (reporting).

The control system structure provides for entity-level controls (Company Entity Level Controls) which apply across the entire entity in question (group/individual company), and process-level controls. The latter are subdivided into:

- | specific controls aimed at preventing, identifying and correcting errors or irregularities occurring during the execution of operative activities (process-level controls);
- | pervasive controls to define a general context that promotes the correct execution and control of operating activities. Pervasive controls include those related to the segregation of duties and IT General Controls.

The controls, both at the entity level and process level, are subject to regular evaluation (monitoring) to verify the adequacy of the design and actual operability over time. To this end, ongoing monitoring activities have been entrusted to the management responsible for significant processes/activities, and separate evaluations have been entrusted to the Internal Audit Manager, who operates in accordance with a plan agreed with the Officer responsible for the preparation of financial reports that aims to define the scope and objectives of their actions via agreed audit procedures.

Italgas has also appointed an independent auditing firm Deloitte & Touche S.p.A. to examine the adequacy of the internal control system in relation to the preparation of financial information used to produce the separate and consolidated financial statements of Italgas S.p.A., by conducting independent checks on the effectiveness of the design and functionality of the control system.

The results of the monitoring activities, the checks made on the controls and any other information or situations relevant to the Corporate Reporting Internal Control System are subject to periodic reporting on the state of the control system, which involves all levels of the organisational structure of Italgas and its major subsidiaries, including operational business managers, heads of department, administrative managers and chief executive officers.

Within the scope of the SCIS, a significant role was also played by the External Relations and Sustainability Department, which, amongst others, (i) receives the results of the independent monitoring carried out by the Internal Audit Department, with reference to the areas defined in the related annual plan; (ii) defines and updates, together with the Officer Responsible, the control objectives to be guaranteed; (iii) together with the Officer Responsible and the Company's Administrative Managers, examines the results of the assessment and monitoring of the individual components of the SCIS and thereafter prepares the half-yearly and annual reports of the Company and Group; (iv) together with the Officer Responsible and the Head of the Internal Audit Department, defines the independent monitoring plan; (v) together with the Officer Responsible and the Company's Administrative Managers, receives from the Head of the Department involved in the SCIS process, and reports regarding the existence of events, situations, organisational or business changes that may call for an update of the Risk Assessment; and (vi) liaises with the Internal Audit Department and the Officer Responsible to agree on an annual independent monitoring plan and any revisions to such as may be made during the year.

The assessments of all controls instituted within Italgas and its Subsidiaries are brought to the attention of the Officer responsible for the preparation of financial reports, who, on the basis of this information, draws up half-year and annual reports on the adequacy and effective application of the Corporate Reporting Internal Control System. These are shared with the Chief Executive Officer and communicated to the Board of Directors, after informing the Control, Risk and Related Party Transactions Committee and the Board of Statutory Auditors, when the separate and consolidated financial statements, and the consolidated half-year financial report, are approved, to allow the Board of Directors to perform its supervisory functions and to conduct the assessments that fall to its responsibility with regard to the Corporate Reporting Internal Control System (at the approval of the Integrated Annual Report, reporting is extended to the Sustainability Committee).

10.2 Chief Executive Officer

On 4 April 2019, the Italgas Board of Directors identified the Chief Executive Officer as the “director in charge of the internal control and risk management system”, pursuant to the then current Corporate Governance Code.

As of 1 January 2021, the Chief Executive Officer, as CEO, is entrusted with the task of establishing and maintaining an effective Control and Risk Management System pursuant to the Corporate Governance Code and, in particular, has the responsibilities specifically identified by the “Guidelines on the Italgas Group’s Internal Control and Risk Management System” in accordance with the same Code.

More specifically, during the Financial Year, in addition to those indicated in point 10.1 above, the Chief Executive Officer carried out the following activities:

- | he verified the identification of the main company risks, taking into account the characteristics of the business activities that Italgas and its Subsidiaries are engaged in, periodically subject to the examination of the Control, Risk and Related Party Transactions Committee, the Board of Statutory Auditors and the Board of Directors;
- | he implemented the “Guidelines for internal audit activities”, approved by the Board of Directors initially on 20 December 2016, and lastly on 18 December 2020, he proposed an update to the same Board of Directors at its meeting on 16 December 2021;
- | he received the reports prepared by the Internal Audit department, containing the results of audits;
- | he approved the audit plan of Italgas and of its Subsidiaries, as well as on the budget for audit activities in 2021;
- | he proposed adoption of the “Guidelines on the internal control and risk management system”, which are applicable as of January 1, 2021, to the Board of Directors.

The CEO promptly reports to the Control, Risk and Related Party Transactions Committee on problems and critical issues that have emerged in the course of his activities or of which he has become aware, so that the Committee can take the appropriate initiatives; during the year, no cases occurred that required the formal exercise of this duty.

10.3 Internal Audit Manager

The Internal Audit Manager is appointed and removed by the Board of Directors, following the favourable opinion of the Control, Risk and Related Party Transactions Committee and having consulted with the Board of Statutory Auditors, on the recommendation of the CEO, in agreement with the Chairman of the Board of Director.

The appointment of the Internal Audit Manager is open-ended. At least once during the term of office determined by the Shareholders' Meeting, the Board of Directors assesses whether the Internal Audit Manager should be confirmed in the role, based inter alia on rotation criteria. During the Year, the role of Head of the Internal Audit department was occupied by Mr Paolo Bosato (appointed by the Board of Directors on 7 November 2019 with the aforementioned procedures).

The role, duties and responsibilities of Internal Audit are defined and formalised by the Board of Directors. At the meeting of the Board of Directors of Italgas S.p.A. held on 18 December 2020, in accordance with the New Corporate Governance Code, the "Guidelines on the Italgas Group's internal control and risk management system" effective as of 1 January 2021 (See paragraph 10.1. letter b) were approved.

In the meeting of 16 December 2021, the Board of Directors of Italgas S.p.A., taking into account the prior favourable opinion of the Control and Risk and Related Party Transactions Committee, and having consulted with the CEO and the Board of Statutory Auditors, approved the 2022 audit plan of Italgas and its subsidiaries.

During the Financial year, the audit operations envisaged in the internal audit plan for Italgas and the Italgas Group, approved by the Italgas Board of Directors on 18 December 2020, were performed.

The remuneration of the Head of Internal Audit is defined - in line with corporate policies - by the Board of Directors, at the proposal of the CEO, in agreement with the Chairman of the Board of Directors and after consulting the Appointments and Compensation Committee, with the favourable opinion of the Control, Risk and Related Party Transactions Committee.

The Head of Internal Audit, whose function is part of the organisational structure reporting to the CEO, carries out audit activities with reference to both the Company and its Subsidiaries, in full independence according to the instructions of the Board of Directors, consistent with the recommendations of the Corporate Governance Code. The Control, Risk and Related Party Transactions Committee supervises the activities of the Internal Audit Manager.

The Internal Audit Manager is not responsible for any particular operational area, and has direct access to all information that is useful for carrying out his duties.

The Internal Audit Manager performs his activities while maintaining the necessary independence and due objectivity, competence and professional diligence, as laid down in the International Standards for the Professional Practice of Internal Auditing and in the Code of Ethics issued by the Institute of Internal Auditors, and in compliance with the principles laid down in the Italgas Code of Ethics.

As part of the process of approving the audit plan, once a year the Board of Directors approves the budget required for the Internal Audit department to fulfil its responsibilities. The Guidelines on Internal Audit activities stipulate that the Head of Internal Audit shall have, within his budget, autonomous spending powers for ascertaining, analysing and assessing the internal control and risk management system and/or related activities, and that in exceptional and urgent situations that require the availability of funds exceeding the budget, he may propose that the Board of Directors approve the extra budget of the Internal Audit department so that it may carry out the duties assigned to it.

The Internal Audit Manager:

- | has verified, both on an ongoing basis and in relation to specific needs, and in compliance with international standards, the operation and suitability of the Internal Control and Risk Management System, through the audit plan approved by the Board of Directors, based on a structured process of analysis and prioritisation of the main risks; prepares periodic reports containing adequate information on its activities, regarding the way in which risk management is conducted, as well as on compliance with the plans defined for their containment; the periodic reports contain an assessment of the suitability of the Internal Control and Risk Management System;
- | prepares timely reports on events of particular importance;
- | sends periodic reports to the chairmen of the Board of Statutory Auditors, the Control, Risk and Related Party Transactions Committee and the Board of Directors, as well as to the CEO, except in cases where the subject of these reports specifically concerns the activities of these parties;

| verified, in the context of the audit plan, the reliability of the IT systems used, including the accounting systems.

The CEO may request the Head of Internal Audit to carry out checks on specific operational areas and on compliance with internal rules and procedures in the execution of corporate transactions, simultaneously notifying the Chairman of the Board of Directors, the Chairman of the Control, Risk and Related Party Transactions Committee and the Chairman of the Board of Statutory Auditors. During the year, the Chief Executive Officer asked the Head of Internal Audit to carry out a detailed examination of the Group's compliance with the provisions on Functional Unbundling, as set out in the regulations issued by the Regulatory Authority for Energy, Networks and the Environment.

| In accordance with the Internal Audit Guidelines, the Head of Internal Audit implements other audit measures not included in the audit plan, on the basis of requests which may also come from:

| the Board of Directors and Chairman of the Board of Directors;

| the CEO, who notifies the Chairman of the Board of Directors, as well as the Chairman of the Control, Risk and Related Party Transactions Committee and the Chairman of the Board of Statutory Auditors;

| the Control, Risk and Related Party Transactions Committee, which notifies the Chairman of the Board of Statutory Auditors, as well as the Chairman of the Board of Directors and the CEO;

| Board of Statutory Auditors;

| the Supervisory Body.

Additionally, Internal Audit performs other tasks assigned to it pursuant to the procedures adopted by Italgas, including the activities laid down by Model 231 in order to ensure the necessary support for the Supervisory Body, the independent monitoring activities required by the Corporate Reporting Internal Control System, supporting the Officer responsible for the preparation of financial reports, organising and overseeing the management of the channels for reporting notifications (including anonymously), pursuant to the Whistleblowing Procedure (see Chapter 16 of this Report).

During the Financial Year, the Internal Audit department performed its scheduled activities relating to the Italgas Group, as expected. Specifically, these were:

| the preparation of the proposed 2022 audit plan for Italgas and its Subsidiaries based, in compliance with international audit standards and the "Guidelines on Internal Audit activities", on the measurement and prioritisation of the main corporate risks carried out by the ERM unit and other relevant elements such as the degree of coverage of the audit activities carried out in previous years for the purposes of applying the principle of rotation of audit objects, the objectives set out in the 2020 - 2026 Strategic Plan, any indications provided by the Control and Supervisory Bodies and the examination of further information available to Internal Audit;

| executing the audit interventions in the 2021 audit plan;

| performing the independent monitoring programme drawn up with the Officer responsible for the preparation of financial reports as part of Italgas' Corporate Reporting Control System;

| managing the channels used to provide notification, anonymous or otherwise, of problems relating to the Internal Control and Risk Management System;

| activities involving relations with the independent auditors, with special reference to overseeing the process for the allocation of appointments.

10.4 Italgas' Regulatory System

The Italgas Group has adopted its own "Regulatory System", which is structured into three hierarchical levels:

- | level one: Italgas Enterprise System;
- | level two: Process standards and Compliance standards;
- | level three: operating instructions.

The Regulatory System also includes, as an integral part, the documents from the certified management systems regarding health, safety, the environment and quality (HSEQ):

- | policies and manuals (level one);
- | process/compliance standards and operating instructions.
- | Lastly, there are circulars governing specific subjects.

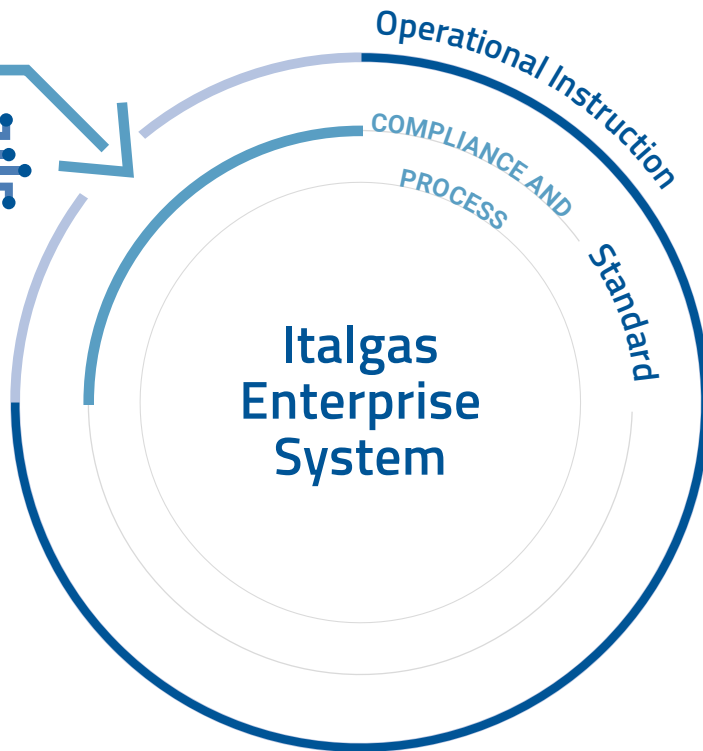
The Articles of Association, the Code of Ethics, the Corporate Governance Code, Model 231, the Corporate Reporting Internal Control System (or SCIS) and the Tax Strategy are placed within the general reference framework of the Regulatory System, since, although they are specific instruments, the principles that guide them are recognised as founding principles of Italgas Group's conduct and, therefore, part of the general reference framework of the entire Regulatory System. Additionally, the Code of Ethics and Model 231 specifically constitute references of the Italgas Enterprise System, which describes the organisational and governance model, the corporate management system and the operation of Italgas and its Subsidiaries.

Also part of the "Regulatory System" are the Tax Control Framework Compliance Standard, the Antitrust Code, the Anti-corruption Compliance Standard and the Reporting Compliance Standard adopted by the Company (see Chapter 16 of this Report).

External References

BY-LAWS	CODE OF ETHICS	MODEL 231	SCIS	TAX STRATEGY
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Integrated Management System



Circulars

OPERATIVE GUIDELINES AND TECHNICAL DOCUMENTS	RECORDINGS
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10.5 Independent auditors

The regulatory auditing activity is entrusted under the law to an independent auditing firm registered in a special register appointed by the Shareholders' Meeting on the basis of a justified proposal by the Board of Statutory Auditors

In compliance with applicable regulations, on 12 May 2020, the Ordinary Shareholders' Meeting, based on a reasoned proposal from the Board of Statutory Auditors, subject to the consensual termination of the assignment for the external auditing of the accounts with PricewaterhouseCoopers S.p.A., awarded by the Shareholders' Meeting on 28 April 2017 for 2017-2025, awarded Deloitte & Touche S.p.A. the assignment to carry out the statutory audit for 2020-2028, establishing their fees.

On 26 May 2021, the Board of Directors acknowledged the Report issued, pursuant to Article 11 of Regulation (EU) 537/2014, by the auditing firm Deloitte&Touche, previously sent to the Directors and on which the Board of Statutory Auditors did not make any observations and/or remarks.

10.6 Officer responsible for the preparation of financial reports

The Board of Directors appoints the Officer responsible for the preparation of financial reports, on the recommendation of the CEO, in agreement with the Chairman, following the favourable opinion of the Board of Statutory Auditors.

The Officer responsible for the preparation of financial reports may not be a member of the administrative or control bodies, or hold senior management positions, at Eni S.p.A. and its Subsidiaries, nor may they have any direct or indirect professional or financial relationship with said companies. Further subjective requirements are set out for the office of Officer responsible for the preparation of financial reports in Article 16.4 of the By-Laws.

The Board of Directors must ensure that the Officer responsible for the preparation of financial reports has the necessary powers and means to perform their duties and that they comply with administrative and accounting procedures.

The Officer responsible heads a dedicated structure that reports directly to him (the SCIS department), which, together with the risk management and internal control system in relation to the corporate disclosure process, governed by the Compliance Standard "Corporate Reporting Internal Control System", represent the tools necessary and useful for

directing, managing and verifying the accuracy and reliability of the Corporate Reports communicated externally, contained in the Integrated Annual Report.

On 7 May 2018, the Board of Directors of Italgas, at the proposal of the CEO in agreement with the Chairman and having received the favourable opinion of the Board of Statutory Auditors, appointed Giovanni Mercante as Officer responsible.

The Board of Directors has verified, on the basis of the declarations made by the interested party, that there are no causes of incompatibility and that the Officer responsible meets the integrity requirements, most recently, on 26 February 2020, 10 March 2021 and 9 March 2022. The Board also assessed the means and powers at the disposal of the Officer responsible as adequate, most recently on 10 April 2020, 10 March 2021 and 9 March 2022.

10.7 Other corporate roles and functions

In addition to the bodies and departments described above, the following organisational structures, all of which are endowed with the professionalism and resources required to ensure their effectiveness and impartial judgement, perform specific tasks relating to internal control and risk management within the Italgas and Italgas Group Internal Control and Risk Management System:

a. Legal and Corporate Affairs and Compliance, which, among other things, carries out the following tasks:

- | oversees the adaptation of the system and of the governance rules to legislative and regulatory provisions, to self-assessments codes and to best practices;
- | oversees the operation of corporate bodies, agencies and committees, the corporate secretarial activities and the conferral/revoking of powers;
- | oversees the updating of corporate standards and principles and their compliance with applicable laws, regulations and provisions, as well as connecting, coordinating and controlling compliance activities;
- | oversees the identification, monitoring and analysis of the legislative and regulatory provisions of interest to the Italgas Group, as well as national case-law;
- | promotes, in conjunction with the Human Resources & Organization Department, the creation of a corporate culture relating to regulations of corporate interest as well as with regard to compliance, supporting their dissemination;
- | ensures legal support for all corporate departments;
- | oversees the definition of the criteria and instruments for recourse to external advice on legal, corporate and compliance issues and the valuation of the contributions provided, conferring the appointments;
- | establishes, within the same department, antitrust oversight with the role of receiving notifications concerning the interpretation and application of the Group's Antitrust Code (this document defines conduct guidelines regarding the compliance of Italgas and the Subsidiaries with the principles dictated by the applicable regulations on antitrust issues), as well as the reports about potential antitrust risk situations;
- | oversees, with the aid of the compliance department to prevent and fight corruption established within it, the corruption prevention activities, ensuring the adequacy and compliance over time with anti-corruption regulations, and promotes the execution of the duties and obligations laid down by the aforementioned law, ensuring the adequacy of the solutions identified.

b. Chief Financial Officer, which, among other things, carries out the following tasks:

- | promotes and supports the growth of the Group contributing to the definition and development of corporate strategy, ensuring the necessary support for reaching company targets;
- | oversees the activities of the M&A area, by participating in business development projects, in collaboration with other company departments, and providing proposals and support to evaluate the development options in the portfolio;
- | oversees activities in the Enterprise Risk Management area, defining and updating the Group model and ensuring the correct consolidation, measuring and monitoring of the Group's risks;
- | oversees the activities of the Investor Relations area, monitoring the composition of the Group's shareholder base, identifying the relative characteristics, organising communication initiatives, in collaboration with RELESOST, useful for consolidating existing relations, in order to enhance the corporate image and the appreciation of the securities, in compliance with Group policies and objectives;
- | oversees the dissemination of the financial and strategic information necessary for the drafting of securities' valuation reports, organising periodic national and international road shows, in collaboration with RELESOST, for the presentation of company results, monitoring the expectations of the financial markets;
- | oversees activities in the Administration, Finance and Control area, guaranteeing the budgeting process, planning and control, general accounting, draft and consolidated financial statements, guaranteeing the mandatory communications for listed companies, to Borsa Italiana and Consob, in compliance with the civil and fiscal regulations in force and ensuring the optimum level of debt and composition (type, rate and duration) of financial resources, analysing and planning medium-/long-term interventions that are consistent with the development of the financial and business scenario;

c. Corporate Reporting Internal Control System, established within the Chief Financial Officer, which carries out, among other things, the following tasks:

- | draws up rules and methodologies related to the establishment and maintenance of the Corporate Reporting Control System ("SCIS");
- | manages the risk assessment process related to corporate reporting and the implementation of controls;
- | manages information flows, control assessments, statements and reports on the state of the Corporate Reporting Internal Control System and provides methodological and operational support to the departments involved in implementing it;
- | performs activities related to the examination and assessment of the Corporate Reporting Internal Control System, as well as draws up reports on assessment results and preparing information on the System for the Officer responsible for the preparation of financial reports and the control bodies.

d. HSEQ Department, with the aim of ensuring the preparation, updating and application of the Group HSEQ integrated management system, guaranteeing the definition and implementation of quality certification programmes and promoting awareness raising and training initiatives, disseminating the culture of workplace safety, in collaboration with Human Resources & Organization, at all levels of the Company and at suppliers;

e. Institutional Relations and Regulatory Affairs Department, in particular with the task of:

- | ensuring oversight of the regulatory matters of the Group and the necessary relations with the Offices of the Regulatory Authority for Energy Networks and the Environment (ARERA);
- | ensures monitoring of the evolution of the legislative and regulatory framework and, in collaboration with the company departments concerned, prepares proposals aimed at promoting the development of the regulatory framework of the relative regulated services and proposals for tariffs, codes, service quality, etc.;

f. The Enterprise Risk Management, which, among other things, carries out the following tasks:

- | ensures the definition and updating of the Group's Enterprise Risk Management model and provide specialist methodological support to all departments in the identification and assessment of risks relating to the company processes;
- | ensures coordination of the overall Enterprise Risk Management process, arranging for the correct consolidation and prioritisation of the Group risks, the identification and measuring of the enterprise risks, and the risk monitoring and control activities;
- | ensures, in accordance with the relevant company departments, consolidation of the risk management strategies identified;
- | ensures the periodic preparation of reports, and the management and updating of the risk indicators defined.

g. Tax Risk Manager: with effect from 1 February 2021, this position has been created within the Chief Financial Officer Department in order to perform, inter alia, the following tasks:

- | update and maintain over time the System for detecting, measuring, managing and controlling the tax risk ("Tax Control Framework" – "TCF"), adopted by the Italgas Group pursuant to Legislative Decree no. 128 of 5 August 2015, periodically carrying out a tax risk assessment;
- | perform checks and tests to ascertain the actual adequacy and functioning of the control oversights of the tax risk, understood as the risk of violating tax laws or operating contrary to the principles or purposes of the tax system;
- | prepare and submit to the Revenue Agency an annual report on the outcomes of the process of periodically checking the adequacy and effective application of the Tax Control Framework, approved by the Board of Directors, after its presentation to the Control, Risk and Related Party Transactions Committee and the Board of Statutory Auditors.

10.8 Coordination between the parties involved in the Internal Control and Risk Management System

In order to allow the various persons involved in the Internal Control and Risk Management System to adequately perform the role entrusted to them within the framework of this system, to maximise the efficiency of the system itself, reduce duplication of activities and ensure effective performance of the duties of the Board of Statutory Auditors, specific information flows are defined between the various levels of control and the competent management and control bodies, appropriately coordinated in terms of content and timing.

More specifically, the Board of Statutory Auditors constantly attends the meetings of the Board of Directors and of all Board Committees. The Board of Statutory Auditors and the Control and Risks and Related-Party Transactions Committee receive and collect information, at least every six months, from the control functions and from the Independent Auditors about checks carried out and any weaknesses or critical areas or anomalies discovered.

Pursuant to Italgas Group's "Guidelines on the internal control and risk management system" and Article 4.5 of the Regulation of the Control, Risk and Related Party Transactions Committee, the Board of Statutory Auditors is the recipient of the information flows required to perform its duties. In particular, the Board of Statutory Auditors and the Control, Risk and Related Party Transactions Committee shall promptly exchange information relevant for the performance of their duties.

The Supervisory Body and the Independent Auditors regularly meet with the Control, Risk and Related Party Transactions Committee and with the Board of Statutory Auditors.

The secretary of the Control, Risk and Related Party Transactions Committee is the Internal Audit Manager, who maintains periodic communication flows with the other company bodies and departments, as well as overseeing and monitoring the Internal Control and Risk Management System.

As envisaged by the "Guidelines on Internal Audit Activities", the results of each audit are illustrated in reports prepared by the Internal Audit department, which are, at the same time, sent to the CEO, to the top management of the departments under audit, to the Officer responsible for the preparation of financial reports, to the Chairman of the Board of Directors, to the Control, Risk and Related Party Transactions Committee, to the Board of Statutory Auditors and, with regard to the areas under its scope, to the Supervisory Body. For audits involving the subsidiaries, these communications are transmitted, not only to the subjects indicated above, but also to the Chief Executive Officers/Chairmen of the B.o.D. and the control and supervisory bodies of the companies concerned.

On 9 March 2022, the Board of Directors, in accordance with the provisions of Article 6, Recommendation 33 of the Corporate Governance Code, after hearing the opinion of the Control, Risk and Related Party Transactions Committee, evaluate the internal control and risk management system adequate in relation to the characteristics of the company and the risk profile assumed, as well as effective in relation to the strategic objectives of the Company and the Group, with a view to pursuing Sustainable Success, including the methods of coordination between the various parties involved therein, and assessed the appropriateness of adopting measures to ensure the effectiveness and impartiality of judgement of the other corporate functions involved in the controls, and considered them to have adequate professionalism and resources.



11.0 | Interests of Directors and Related-Party Transactions

a. Italgas Related-Party Transactions Procedure

On 18 October 2016 the Board of Directors approved a procedure which establishes the principles and rules which Italgas and its Subsidiaries should adhere to in order to ensure the transparency and essential and procedural correctness of transactions conducted by Italgas Group companies with related parties or "parties of interest" (the "**Italgas Related-Party Transactions Procedure**").

The Italgas Related-Party Transactions Procedure was updated by a resolution of Italgas' Board of Directors on 14 December 2017, following the approval of the Control, Risk and Related Party Transactions Committee, which met on 13 December 2017.

Subsequently, on 10 April 2020, the Board of Directors - following the annual assessment concerning the need to proceed with a revision of the Italgas Related-Party Transactions Procedure (taking into account, inter alia, any changes in the ownership structure, as well as the proven efficacy of the procedures in practice), concluded that it was not necessary to modify the current text after having received the favourable opinion expressed by the Control, Risk and Related Party Transactions Committee.

By way of Resolution No. 21624 of 10 December 2020, Consob amended the Consob Related Parties Regulation in implementation of Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 (so-called SHRD II), providing that issuers had to adapt their procedures by 30 June 2021 and apply them as of 1 July 2021²⁵.

On 14 June 2021, the Italgas' Board of Directors, following the favourable opinion expressed by the Control, Risk and Related Party Transactions Committee on 9 June 2021, approved the revision of Italgas' RPT Procedure in order to adapt it to the new version of the Consob Related Parties Regulation in force as of 1 July 2021. The revised version of the RPT Procedure will apply from 1 July 2021.

Considering that transactions with related parties are important for the Group in relation to two different aspects - management procedures and corporate reporting - Italgas' RPT Procedure has been adopted:

- | to take account of the rules introduced by the Consob Related Parties Regulation, as in force at the date of this Report;
- | in compliance with the provisions and recommendations of the Italgas Group's Corporate Governance Code and Code of Ethics;
- | 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 Italgas' RPT Procedure to related party transactions entered into by Italgas, either directly or through subsidiaries, and takes into account Consob Communication no. DEM/10078683, published on 24 September 2010, containing "Indications and guidelines for the application of the Regulation on related party transactions adopted by resolution no. 17221 of 12 March 2010 as subsequently amended".

b. Definition of Related Parties and Related Party Transactions

One of the main changes introduced by the new Consob Related Parties Regulation concerns the definition of "related parties" and "related party transactions", by referring to the definitions contained in the international accounting standards adopted in accordance with the procedure set out in Article 6 of Regulation (EC) No. 1606/2002 ("**International Accounting Standards**").

In line with this amendment, Italgas' RPT Procedure provides that "Related Parties" and "Related Party Transactions" are those defined as such by the International Accounting Standards in force at the time negotiations begin or, in the absence of negotiations, at the time the relevant decision is taken.

For ease of reference, Annex 2-bis has been added to the Italgas' RPT Procedure, which contains the definitions of Related Parties and the functional definitions indicated in the International Accounting Standards in force at the time.

c. Related Parties and Subjects of Interest Database

Italgas' RPT Procedure provides that, before carrying out a transaction, it is necessary to verify whether the counterparty is a Related Party of the Company or a Subject of Interest²⁶ by using a database (the "**Related Parties and Subjects of Interest Database**") which gathers such subjects in compliance with confidentiality regulations.

The Related Parties and Subjects of Interest Database is created on the basis of the company register of shareholdings, the declarations that the persons indicated in point I, letter a) (i) and (ii) of Annex 2-bis of Italgas' RPT Procedure, as well as the directors, the statutory auditors and managers with strategic responsibilities of Italgas, periodically issue with reference to the identification of Related Parties related to them and, limited to the directors and statutory auditors of Italgas, the Subjects of Interest, as well as further information available to the Italgas Group. In particular, for the purposes of updating the Database, the Corporate Affairs and Governance Department shall, at least annually, send to the persons indicated in point I, letter a) (i) and (ii) of Annex 2-bis of the Italgas RPT Procedure, as well as to the directors and statutory auditors and other executives with strategic responsibilities of Italgas, a declaration to be filled in, signed and sent to the Corporate Affairs and Governance Department. The Database of Related Parties and Subjects of Interest is held by the Corporate Affairs and Governance Department.

²⁵ Consob Resolution No. 21624 of 10 December 2020, which amended the Consob Related Parties Regulation in the implementation of Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 (so-called SHRD II), in fact requires that "Companies shall adapt the procedures provided for in art. 4 of Regulation No. 17221 of 12 March 2010 to the amendments made by this resolution by 30 June 2021 and apply the same starting from 1 July 2021".

²⁶ Namely the entities subjects (natural or legal persons, other than Related Parties) indicated by directors and statutory auditors, who may have a direct or indirect interest, even potential, in the activities carried out by Italgas and by the Subsidiaries or in certain transactions.

d. Transactions with related parties involving transactions of greater importance, transactions of lesser importance and transactions of negligible value

The Italgas Related-Party Transactions Procedure involves a differentiated arrangement governing related parties, distinguishing between “transactions of greater importance”, “transactions of lesser importance” and “transactions of negligible value”.

For the purposes of the Italgas RPT Procedure, transactions with related parties for which at least one of the following “indices of relevance” exceeds the threshold of 5% (or 2.5%, in the case of transactions with a listed parent company or with parties related to the latter that are themselves related to the Company) are considered “significant transactions”:

| **value significance indicator:** meaning:

- > the ratio between the value of the transaction and the net equity taken from the most recent consolidated balance sheet published by the Italgas Group;
- > or, if it is greater, the capitalisation of the Company measured at the close of the last day the market is open in the reference period of the most recent periodic accounting document published (annual or half-year financial report, or additional periodic financial disclosures, where drawn up);

| **assets significance indicator:** meaning the ratio between the total assets of the organisation that is the subject of the transaction and the total assets of the Italgas Group, in accordance with what is indicated in the most recent consolidated balance sheet published by the Italgas Group;

| **liabilities significance indicator:** meaning the ratio between the total liabilities of the entity purchased and the total assets of the Italgas Group, in accordance with what is indicated in the most recent consolidated balance sheet published by the Italgas Group; where possible, similar data should be used for calculating the total liabilities of the Company or the business unit purchased.

“Transactions of lesser importance” are transactions with related parties other than “transactions of greater importance” and “transactions of negligible value”.

The Italgas Related-Party Transactions Procedure establishes the criteria and levels for identifying “transactions of negligible value”, in other words transactions with related-parties which, in consideration of the size of the Italgas Group, do not involve any appreciable risk to the protection of investors and the integrity of Italgas’ capital and which are, therefore, excluded from the scope of application of the Italgas Related-Party Transactions Procedure. The significance thresholds for the purposes of identifying “small-value transactions” are differentiated, for example, in relation to the type of counterparty (natural person, company, listed company or company with shares widely distributed among the public) or the operation.

Types of transactions are specified in the Italgas Related-Party Transactions Procedure which, in conformity with the Consob Related-Parties Regulation, are excluded from the scope of application.

The cases of exclusion have been specified and supplemented in the light of the recent amendment to the Consob Related Parties Regulation, for example through the inclusion among the cases of exclusion of transactions decided by the Company and addressed to all shareholders on equal terms, including: (i) capital increases on a rights offering, including for servicing convertible debenture loans, and the free capital increases envisaged by Article 2442 of the Italian Civil Code; (ii) demergers in the strictest sense, in whole or in part, with assignment of shares on a proportional basis; (iii) share capital reductions by means of reimbursement to shareholders, as provided for by Article 2445 of the Italian Civil Code, and purchases of own shares in accordance with Article 132 of the Consolidated Law on Finance [CLF].

In line with the changes recently introduced by the Consob Related Parties Regulation, the Italgas RPT Procedure provides that, in the case of Ordinary Transactions with Related Parties that are concluded at Conditions Equivalent to Market Conditions or Standard Conditions that qualify as Major Transactions, the following must be notified to Consob and to the Committee responsible for expressing its opinion, by the Corporate Affairs Department, the counterparty, the object and the consideration of the transactions that have benefited from the exclusion, as well as the reasons why the transaction is deemed to qualify as an Ordinary Transaction concluded at Conditions Equivalent to Market or Standard Conditions, providing objective elements of proof; the communication must be sent to Consob and to the competent Committee within seven days from the approval of the Major Transaction by the competent body or, if the competent body resolves to submit a contractual proposal, from the moment when the contract, even if preliminary, is concluded.

e. Approval process for related-party transactions

The Italgas Related-Party Transactions Procedure establishes specific information flows prior to the approval of related-party transactions and requires the issuing by the competent committee of a reasoned opinion on the interest of the Company in completing the transaction and its expediency and the essential correctness of the related conditions. In line with the changes recently introduced by the Consob Related Parties Regulation, Italgas' RPT Procedure expressly provides that the opinion must be attached to the minutes of the Committee meeting at which it was expressed.

This reasoned opinion is binding in the case of "large transactions". The responsibility for approving "large transactions", where they do not come under the scope of the Shareholders' Meeting pursuant to the law and By-Laws, is reserved to the Board of Directors.

Similar provisions to those described above apply in the case of related-party transactions which come under the scope of the Shareholders' Meetings.

The Italgas Related-Party Transactions Procedure includes specific obligations of transparency in relation to the public with regard to transactions with related-parties, in compliance with the Consob Related-Parties Regulation.

f. Committee responsible for issuing the reasoned opinion

The Committee responsible for issuing the reasoned opinion is usually identified as the Control, Risk and Related Party Transactions Committee. However, in the case of transactions involving the remuneration of directors, statutory auditors, general managers and other executives with strategic responsibilities, this Board Committee is the Appointments and Compensation Committee, with the Control, Risk and Related Party Transactions Committee remaining in charge of verifying compliance of the transaction approval process with Italgas' RPT Procedure.

The Committee shall be composed of: (i) in the case of a Minor Transaction, by unrelated and uninvolved directors, the majority of whom shall be independent; (ii) in the case of a Major Transaction, entirely by unrelated and uninvolved independent directors. The Italgas Related Parties Procedure provides for a mechanism of integration and replacement of the members of the relevant Committee if the composition requirements specified above are not met in relation to a given related party transaction²⁷.

The Committee may be assisted, at the Company's expense, by one or more independent experts of its choice, subject to verification of their independence. In line with the recent

amendments made to the Consob Related Parties Regulation, Italgas' RPT Procedure provides that such verification shall be conducted 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);

During the year, the Control and Risk Committee and Related Party Transactions issued reasoned opinions on two different transactions of minor importance.

In addition, the Appointments and Compensation Committee, in its capacity as the Committee for Related Party Transactions, analysed the terms and conditions of the conciliation and consensual termination agreement and the non-compete agreement between the Company and the executive with strategic responsibilities, Dr Antonio Paccioretti, General Manager of Finance and Services, qualifying it as a transaction with related parties of lesser importance. The Committee issued a favourable reasoned opinion.

g. Transactions involving the interests of the Directors and Statutory Auditors

Also in compliance with Article 2391 of the Italian Civil Code, the Italgas Related-Party Transactions Procedure includes a specific framework applicable to transactions in which a director or a statutory auditor has a personal interest or an interest on behalf of others, and transactions to be conducted with "parties of interest", defined as parties, other than related parties, such as directors and statutory auditors, in relation to whom there may directly or indirectly be an interest, including a potential one, in relation to the activity carried out by Italgas and its Subsidiaries or in connection with certain transactions.

Under this scope the Italgas Related-Parties Transactions Procedure directors and statutory auditors are required to declare potential interests that they have in relation to the Italgas Group at least annually, and when changes in said interests occur; they also inform the Chief Executive Officer (or the Chairman, in the case of the Chief Executive Officer's interests), who in turn informs the other directors and the Board of Statutory Auditors, of individual transactions that the Italgas Group intends to carry out and in which they have an interest.

The Italgas Related-Party Transactions Procedure is available on the Company's website: <https://www.italgas.it/en/governance/internal-control-and-compliance/related-party-transactions/>

²⁷ In particular, Italgas' RPT Procedure provides that, in the case of Major or Minor Transactions, 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 purpose of issuing the opinion on that specific RPT:

- 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 Expert.

12.0 | Appointment and replacement of Statutory Auditors

Pursuant to the By-Laws, the Board of Statutory Auditors is composed of three standing auditors and two alternate auditors appointed by the Shareholders' Meeting, which also decides on remuneration in compliance with the pro-tempore regulations in force including gender equality.

Statutory auditors must possess the requirements of integrity and professionalism established by the applicable regulations, specifically Decree no. 162 of 30 March 2000 of the Ministry of Justice. For the purpose of applying this decree and as laid down by Article 20.1 of the By-Laws, issues closely related to the activities of the Company are commercial law, business administration and corporate finance, and the sector closely related to the activities of the Company is the engineering and geology sector.

The limits on the number of offices that statutory auditors can take as members of the administrative and control bodies of other companies are established in the Issuers Regulations.

Pursuant to the By-Laws and the Decree of the President of the Council of Ministers of 25 May 2012, on "Criteria, terms and conditions for the adoption by Snam S.p.A. of the ownership unbundling model, pursuant to Article 15 of Law no. 27 of 24 March 2012", statutory auditors of Italgas cannot hold any office in the management or control body, nor can they hold any management functions, at Eni S.p.A. or its subsidiaries, nor have any relations, direct or indirect, of a professional or financial nature with these companies.

When the entire Board of Statutory Auditors is renewed, auditors are appointed according to the slates submitted by shareholders.

The statutory provisions currently in force governing slate voting for the appointment of the Board of Statutory Auditors are listed below.

As indicated in Chapter 4.1 of this Report, the new rules on gender balance will be applied at the next renewal of the Board of Statutory Auditors, scheduled for the Shareholders' Meeting convened to approve the financial statements as at 31 December 2021. In this regard, it should be noted that art. 144-undecies.1, subsection 3, of the Issuers' Regulations - as already indicated in Communication no. 1/20 of 30 January 2020²⁸ - provides, inter alia, that for corporate bodies made up of three members, such as the Board of Statutory Auditors of Italgas, rounding down is performed to the nearest whole number.

²⁸ See Communication no. 1/20 of 30 January 2020 on "Clarifications relating to the amendments of the provisions in articles 147-ter and 148 of Italian Legislative Decree 58/98 (Consolidated Law on Finance - CLF) on the issue of gender balance in the bodies of listed Companies introduced by Law no. 160 of 27 December 2019 ("2020 Budget Law")".



Slate voting for the appointment of the Board of Statutory Auditors (Article 20)

The Board of Statutory Auditors is appointed by the Shareholders' Meeting, in compliance with applicable laws regarding balance between genders and based on the slates presented by the shareholders in which the candidates are listed by progressive number, and in a number not to exceed the members of the body to be elected.

Slates are filed at the registered office by the twenty-fifth day prior to the date of the Shareholders' Meeting called to decide on the appointment of the members of the Board of Statutory Auditors and made available to the public by the methods provided for by law and by Consob regulations, at least twenty-one days prior to the date of the Shareholders' Meeting.

Each shareholder may submit or be involved in submitting only one slate and may vote on only one slate, according to the terms provided for by the above-mentioned legal and regulatory provisions.

Only shareholders who alone or together with other shareholders represent 2% or are the owners overall of another percentage of shares stipulated by Consob regulations shall be entitled to submit slates²⁹.

The ownership of the minimum percentage necessary for the submission of slates is determined by the shares registered on the date on which the slates are filed at the Company. Shareholders must also produce the certification issued pursuant to the law by authorised intermediaries.

The slates break down into two sections: the first for candidates to the office of standing auditor, and the second for candidates to the office of alternate auditor. At least the first candidate in each section must be included in the Register of Auditors and must have a minimum of three years' experience as an external auditor.

In order to comply with the applicable law on gender representation, slates with candidates for both sections which contain three or more candidates presented for appointment of the majority of the Board of Statutory Auditors' members must contain candidates of each gender in the section for the appointment of standing auditors, in accordance with the call notice of the Shareholders' Meeting. If the section of alternate auditors on these slates has two candidates, they must be of different genders.

Two standing auditors and one alternate auditor are taken from the slate that wins the majority of the votes. The remaining two auditors shall be taken from other slates that are not linked in any way, even indirectly, to the shareholders that presented or voted for the slate coming first by number of votes. To this end, the votes received by the slates will be successively divided by one and two. The quotients thus

obtained will be assigned progressively to candidates from each of these slates, according to the order shown therein and will be arranged in a single decreasing gradation.

Those obtaining the highest quotients will be elected. If several candidates obtain the same quotient, the candidate from the slate that has not yet elected any director or that has elected the smallest number of directors will be elected. If none of these slates has yet elected a director or if all have elected the same number of directors, the candidate from the slate obtaining the greatest number of votes will be elected. If the voting on slates is a tie and the quotient is also a tie, the entire Shareholders' Meeting will be asked to vote again, and the candidate winning a simple majority of votes will be elected.

Where the application of the above procedure fails to ensure 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 for 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 that they have just been replaced by), if this does not allow compliance with the regulations on gender equality, they are replaced by the person appointed by the Shareholders' Meeting with a legal majority to ensure that the composition of the Board of Statutory Auditors complies with the law and the By-Laws.

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 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.

In the event of the replacement of a statutory auditor from the slate that wins the majority of the votes, they are replaced by the alternate auditor from the same slate; in the event of replacement of a statutory auditor from other slates, they are succeeded by the alternate auditor from these slates. If the replacement does not allow compliance with the regulations on gender balance, the Shareholders' Meeting must be convened in a timely fashion to ensure compliance with the aforementioned regulations.

²⁹ Consob - through its Managerial Resolution of the Head of the Corporate Governance Division no. 60 of 28 January 2022 - decided, pursuant to Article 147-ter, paragraph 1 and Article 148, paragraph 2 of the CLF and Article 144-septies, paragraph 1, of the Issuers' Regulation, that the minimum level of investment required for the presentation of lists of candidates for the election of Italgas management and control bodies was 1%.



13.0 | Composition and operation of the Board of Statutory Auditors

a. Composition

The Ordinary Shareholders' Meeting of 4 April 2019 appointed the Board of Statutory Auditors of Italgas consisting of three standing auditors and two alternate auditors. Specifically, the Chairman of the Board of Statutory Auditors and one of the alternate auditors were drawn from the slate submitted by institutional investors holding a total of 1.366% of the share capital³⁰, voted by the minority shareholders who attended the Shareholders' Meeting with about 26.23% of the share capital represented at the Shareholders' Meeting. The two standing auditors and one alternate auditor, instead, were drawn from the slate submitted by the shareholder CDP Reti, which holds 26.045% of the share capital³¹, voted by the majority of shareholders who attended the meeting with approximately 72.26% of the share capital represented at the meeting. The Board of Statutory Auditors appointed in this way will remain in offices for three financial years, expiring on the date of the Shareholders' Meeting called for the approval of the draft financial statements for the year ending 31 December 2021.

The table below lists the statutory auditors in office at the end of the Financial Year.

Name	Office
Pierluigi Pace	Chairman
Maurizio Di Marcotullio	Standing Auditor
Marilena Cederna	Standing Auditor
Stefano Fiorini	Alternate auditor
Giuseppina Manzo	Alternate auditor

Each of the members of the Board of Statutory Auditors has been certified at the time of appointment as being in possession of the requirements of independence required by the Consolidated Law on Finance (Article 148, subsection 3, of the CLF) and the then current Corporate Governance Code (specifically pursuant to Article 3 and Article 8 of the Corporate Governance Code), there being no grounds for ineligibility, incompatibility or forfeiture, as well as the existence of the requirements of professionalism and integrity and compliance with the limit on the number of offices that can be held pursuant to the applicable regulations and the By-Laws. One standing member and one alternate member of the Board of Statutory Auditors belong to the less represented gender, in compliance with the regulation in force on gender equality .

At the first opportunity after its appointment, i.e. on 4 April 2019, the Board of Statutory Auditors verified and confirmed the possession of the requirements of independence laid down pursuant to the Consolidated Law on Finance and the Corporate Governance Code and the requirements of professionalism and integrity of its members and notified the Board of Directors of the Company of the outcome. Disclosure to the market was made on the same day according to the checks carried out. At the time of appointment, the Chairman of the Board of Statutory Auditors and the other standing auditors confirmed that they can dedicate the necessary time to carrying out their tasks diligently pursuant to the Corporate Governance Code.

Most recently on 20 January 2022, the Board of Statutory Auditors confirmed the absence of situations of ineligibility, incompatibility and forfeiture involving its members and checked whether its members still met the requisites of professionalism and integrity and compliance with the limitation on the accumulation of offices pursuant to applicable legislation and the Bylaws. On the same date, the Board of Statutory Auditors verified that its members continued to meet the independence requirements pursuant to Article 148, subsection 3 of the CLF and the Corporate Governance Code, also taking into account the quantitative and qualitative criteria applied to assess independence, as approved by the Board of Directors on 24 February 2021 (see 4.6 above). On 03 March 2022, the Board of Statutory Auditors reported the result of this verification to the Company's Board of Directors, which, having acknowledged the verification carried out by the Board of Statutory Auditors in respect of its members, also verified, on 9 March 2022, that the independence requirements of the members of the Board of Statutory Auditors were still met.

It should be noted that, in making the above assessments, all available information was considered, evaluating all the circumstances that appear to compromise independence identified by the Consolidated Law on Finance and the Code, and applying (among other criteria) all the criteria set out in the Code with reference to the independence of directors.

The Board of Statutory Auditors, with the support of the consultancy firm Key2People, also carried out its self-assessment for the year 2021. This activity was carried out on the basis of the provisions of the Rules of Conduct of the Board of Statutory Auditors of Listed Companies updated in April 2018. At its meeting of 20 January 2022, the Board of Auditors completed the above-mentioned self-assessment, which, overall, was positive. The summary of the results of said meeting was sent to the Board of Directors of the Company and was brought to the attention of the Board at its meeting on 21 February 2022. The remuneration of statutory auditors is proportional to the commitment required of the same, to the importance of the office held as well as the size of the Company and the sector it operates in. In fact, it provides for a fixed annual remuneration, determined on the basis of market benchmarks conducted with reference to a peer group of Italian companies comparable with Italgas on the basis of size and business criteria, there being a differentiation in the remuneration of the Chairman compared to the Standing Auditors, in relation to the role, assigned to the former, of coordinating the work and liaising with the Corporate Bodies and Departments. In view of the nature of the position, there are no short-term or long-term variable incentive components, nor agreements on end-of-mandate settlement and compensation.

With regard to the description of corporate policies on diversity pursuant to Article 123-bis, letter d-bis, CLF, it should be noted that, on 24 January 2019, the Issuer's Board of Directors - after receiving the opinion of the Appointments and Compensation Committee of 23 January 2019 - approved the "Diversity of Company Bodies policy", namely a special document that summarizes such policies which also included useful specifications for shareholders for the renewal of corporate bodies by the Shareholders' Meeting called to approve the financial statements as at 31 December 2018. This policy was subsequently updated on 25 January 2021 so as to adapt the provisions to the New Corporate Governance Code and, with reference to Board of Statutory Auditors, provides that

³⁰ The Chairman of the Board of Statutory Auditors Pierluigi Pace and the alternate auditor Giuseppina Manzo.

³¹ The standing auditors Maurizio Di Marcotullio, Marilena Cederna and the alternate auditor Stefano Fiorini..

an optimal composition of the control body of the Issuer can be guaranteed by applying the following criteria:

- i. at least one third of the statutory auditors consisting of the least represented gender, without prejudice to any legislative provisions in force over time regarding gender balance and envisaging a higher proportion;
- ii. all statutory auditors having the independence requirements provided for by the applicable pro-tempore legislation and, where applicable, by the Company Bylaws;
- iii. where possible, taking into account the skills needed for the proper and diligent performance of their functions, members of the Board of Statutory Auditors of different age groups and, as far as compatible with the necessary independence requirements, different levels of seniority, so that different perspectives are represented and there is an adequate balance between continuity and change;
- iv. without prejudice to compliance with the requirements of professionalism provided for by law, training and professional training of the statutory auditors to ensure a balanced combination of profiles and experience within the body suitable to ensure the proper performance of the functions assigned to it.

In addition, the policy provides that:

- | the members of the Board of Statutory Auditors, in its capacity as Internal Control and Audit Committee, must be, as a whole, competent in the field in which the Company operates, as required by current legislation on statutory audit;
- | all the members of the Board of Statutory Auditors should devote adequate time to the performance of the position held in the Company. From this aspect they pointed out a) the limits to the accumulation of offices held provided for by the pro-tempore legislation in force, as well as b) the actual commitment required by the positions occupied, as well as the further work and professional activities carried out.

The Diversity of Company Bodies Policy can be consulted on the Company's website <https://www.italgas.it/en/governance/board-of-directors/>

As regards the company's diversity policies in relation to the composition of the Board of Statutory Auditors in office, including for the purposes of disclosure of the results of the Diversity of Company Bodies Policy, the following is specified: (i) one Standing Auditor and one Alternate Auditor belong to the least represented gender; (ii) without prejudice to the professional requirements provided for by law, the training and professional background of the members of the Board of Statutory Auditors currently in office guarantees the appropriate skills to ensure the proper performance of their duties.

In the light of the above, and also taking into account what is indicated in letter b) of this chapter, the composition of the Board of Statutory Auditors is adequate to ensure the independence and professionalism of its department.

From the end of the Financial Year until the date of the approval of this Report there were no changes to the composition of the Board of Statutory Auditors.

b. Curricula vitae

Below is a summary of the curricula vitae of each member of the Board of Statutory Auditors in office at the end of the Financial Year and at the date of approval of this Report.

PIERLUIGI PACE (CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS)

Born in Rome in 1962, he graduated in Business and Economics in 1986 from "Luiss" University in Rome. In 1987 he obtained a Master's in Business Tax Law from Luiss Business School. He has worked as a chartered accountant and auditor since 1988. He is a consultant for companies and entities including Luiss, the Chamber of Commerce of Rome, the Prefecture of Rome, Debis Spa (Daimler Benz Group), the Farmaceutico Serono Group, and Ireos Spa (Telecom).

Chairman of the Board of Statutory Auditors, Legal Auditor and member of the Board of Directors of companies including Italgas S.p.A., Campari S.p.A., Mercitalia Logistics S.p.A. (Ferrovie Group) and LVenture Group S.p.A.

MAURIZIO DI MARCOTULLIO (STANDING AUDITOR)

Chartered Accountant, member of the Association of Chartered Accountants of Rome and enrolled on the Register of External Auditors. He has gained significant experience working with leading tax consulting firms. He practises as a Chartered Accountant in the following areas: national and international tax planning, taxation of extraordinary transactions, business appraisals and valuations, wealth management, taxation of renewable energy, real estate tax. He is an expert in contract negotiations for M&A transactions and company law. He assists private equity funds in investment transactions. He is a statutory auditor and on the board of directors of joint stock companies, including listed companies.

MARILENA CEDERNA (STANDING AUDITOR)

Born in Sondrio in 1957, she graduated with honours in Business and Economics from Bocconi University in Milan. She is a member of the Association of Chartered and Qualified Accountants and enrolled in the Register of External Auditors.

She has worked as a Chartered Accountant since 2018.

From 1981 to 2017 she worked at PricewaterhouseCoopers in Milan, where she attained the status of partner. For a period she was seconded to PricewaterhouseCoopers in London.

She has acquired many years of experience working in various industrial and services sectors, including the Energy & Utilities sector, performing audit for Groups listed in regulated markets in Italy and abroad, financial due diligence and accounting consultancy to support extraordinary transactions, corporate crises and disputes.

STEFANO FIORINI (ALTERNATE AUDITOR)

Born in Genoa on 15 July 1969. Degree in Business Economics. Certified Auditor. He is listed in the Register of Technical Experts of the Civil Court of Rome, the Register of Expert Witnesses of the Criminal Court of Rome and the Register of Judicial Administrators, ordinary section. He has acquired significant experience in the main sectors of industrial activity and services. He has worked in the audit department at KPMG S.p.A. and Arthur Andersen S.p.A., and in debt restructuring, for Gallo & C. S.p.A. He served as Head of Investment at PM & PARTNERS and ABN Amro Capital Investments NV. He provides consulting services in relation to extraordinary financial transactions and in civil and criminal proceedings concerning disputes in corporate-economic and financial matters. He holds, and has held, positions in the corporate governance of companies, including listed companies. He is currently, among other roles, Chairman of the Board of Statutory Auditors of IGI SGR S.p.A., Nuovoplast Srl and Phoenix Asset Management S.p.A., sole statutory auditor of Alberto Gozzi Srl and Prosilas Srl, as well as standing auditor of Baglioni S.p.A., Elemaster S.p.A., Friulair Srl, GIA S.p.A., Gold Plast S.p.A. and liquidator of Europrogetti & Finanza Srl. He is an associate of NedCommunity, the Italian association of non-executive and independent directors.

GIUSEPPINA MANZO (ALTERNATE AUDITOR)

She graduated cum laude in Economics and Business Law from Bocconi University, Milan (2004). She subsequently took an Executive Master's degree in Corporate Finance and Banking at the SDA Bocconi School of Management, Milan. Since 2006 she has worked at Partners S.p.A. (now Wepartner S.p.A.) where she has acquired solid experience in professional consulting on financial statements and extraordinary finance, dealing in particular with corporate valuations and opinions and equity investments, legal opinions (contribution values, withdrawal and issue of new shares), opinions concerning financial statements and the application of national (OIC) and international (IAS-IFRS) accounting standards, extraordinary transactions and M&A, technical consulting in legal proceedings and arbitration. She is a chartered accountant and auditor. She is currently Statutory Auditor in industrial and service companies.

c. Operation

During the Financial Year, the Board of Statutory Auditors met 19 times; the average length of the meetings was 3 hours and 9 minutes.

With reference to the consensual termination of the appointment for the external audit of the accounts and the granting of the new appointment for the external audit of the Company's accounts for the period 2020-2028 (see chapter 10.5) the Board of Statutory Auditors in office acknowledged the results of the tender which was awarded by CDP to Deloitte & Touche S.p.A. (for which the activities within the remit of the supervisory body were carried out by the Board of Statutory Auditors whose appointment reached the end of its term at the Shareholders' Meeting on 4 April 2019) upon the outcome of its investigations, on 5 March 2020 approved the Opinion on the consensual termination of the appointment for the external audit of the accounts granted by Italgas to PricewaterhouseCoopers S.p.A. and the motivated grant Proposal for the external audit of the accounts for the period 2020-2028 to be submitted to the Italgas Shareholders' Meeting.

The table in Annex 1 lists the attendance of each auditor at the Board of Statutory Auditors' meetings during the Financial Year.

For the current financial year up to the date of the Shareholders' Meeting, 8 meetings have been scheduled, of which 6 have already been held at the date of approval of this Report.

The Board of Statutory Auditors, in accordance with Article 149 of the Consolidated Law on Finance, monitors: a) compliance with the law and founding documents; b) compliance with the principles of correct administration; c) adequacy of the company's organisational structure for the aspects within its remit, the internal control system and the administrative-accounting system as well as the reliability of the latter in correctly representing operational events; c bis) procedures for the practical implementation of the rules of corporate governance envisaged in codes of conduct drawn up by companies managing regulated markets or by trade associations, which the company, through public disclosure, declares its compliance with, d) adequacy of the instructions given by the company to subsidiaries pursuant to Article 114, subsection 2 of the said CLF. Note that Legislative Decree no. 39/2010, as later amended, attributes the Board of Statutory Auditors with the functions of "committee for internal control and auditing" and, in particular, the following supervisory duties: a) informing the management body of the entity under audit of the outcome of the independent audit and sending said body the additional report set forth in Article 11 of Regulation no. 537/2014, accompanied by any observations; b) monitoring the financial disclosure process and presenting recommendations or proposals that seek to guarantee its integrity; c) checking the effectiveness of the Company's internal quality control and risk management systems and, if applicable, of internal auditing, with regard to the financial disclosures of the entity under audit, without infringing upon its independence; d) monitoring the independent auditing of the annual financial statements and of the consolidated financial statements, also taking into account any results and conclusions of quality controls made by Consob pursuant to Article 26, subsection 6, of Regulation no. 537/2014, where available; e) verifying and monitoring the independence of the independent auditors of the independent auditing company, pursuant to Articles

10, 10-bis, 10-ter, 10-quater and 17 of Legislative Decree no. 39/2010 and of Article 6 of Regulation no. 537/2014, in particular as regards the adequacy of the services provided other than the auditing of the entity under audit, in compliance with Article 5 of said regulation; f) being responsible for the procedure to select independent auditors or independent auditing companies and recommending the independent auditors or independent auditing firms to appoint pursuant to Article 16 del Regulation no. 537/2014. For further details on the activities performed during the Financial Year by the Board of Statutory Auditors, refer to the report on supervisory activities of the Board of Statutory Auditors, drawn up pursuant to Article 153 of the CLF.

d. Induction Programme

During the Financial Year, the members of the Board of Statutory Auditors were able to participate in the induction activities illustrated in paragraph 4.3d) of this Report.

e. Interests of statutory auditors

The Italgas Related-Party Transactions Procedure includes specific reporting obligations with regard to any interests, a personal interest or an interest on behalf of others, of auditors in relation to Company transactions (see Chapter 11 of this Report).

f. Coordination with the Control, Risk and Related Party Transactions Committee and the Internal Audit department

The Board of Statutory Auditors and the Control, Risk and Related Party Transactions Committee exchange relevant information for carrying out their respective functions and meet at least quarterly in order to evaluate the results. In order to optimise the collaboration, during the Financial Year, the Board of Statutory Auditors took part in the work of the Control, Risk and Related Party Transactions Committee.

The Board of Statutory Auditors and the Control, Risk and Related Party Transactions Committee receive and collect relevant information, at least quarterly, from the control functions (Internal Audit, Risk Management, Compliance) and from the Independent Auditors about checks carried out and any weaknesses or critical areas or anomalies discovered.

During the Financial Year, the Board of Statutory Auditors met with the Internal Audit department and discussed in detail the updates relating to the "Guidelines on Internal Audit activities", the role, activities, methods and information flows of the department, as well as the proposed 2022 audit plan for the Italgas Group.

The Board of Statutory Auditors met jointly with the CRRPTC on 3 March 2021, 5 March 2021, 14 May 2021, and 20 July 2021.

The Internal Audit Department attended the meetings of the Board of Statutory Auditors on 20 January 2021, 3 March 2021, 5 March 2021, 23 March 2021, 14 May 2021, 3 June 2021, 20 July 2021, 14 September 2021, 14 October 2021 and 30 November 2021.



14.0 | Relations with Shareholders

An active engagement policy with regard to investors is considered by Italgas to be a strategic element capable of creating value over time in terms of satisfying its shareholders, understanding their expectations regarding corporate governance and strategy, and mutual enhancement of knowledge.

Italgas adopts a disclosure policy aimed at guaranteeing constant dialogue with the entire financial community; the Company's goal is to establish a relationship of trust with shareholders, investors, analysts and all financial market operators, and to provide them with regular, complete and prompt information to ensure an excellent understanding of the Italgas Group's performance and strategy.

Starting from March 2020, the role of investor relations manager has been taken on by Ms Anna Maria Scaglia.

The Company has reserved specific sections on its website (www.italgas.it) of interest to shareholders and investors ("Governance", "Investors", "Sustainability" and "Media") in which information concerning the Issuer is made available, so that shareholders can exercise their rights in an informed manner. This includes, among other things, information on the Company's corporate governance (e.g., Articles of Association, composition of corporate bodies, policies on business ethics and internal control), economic-financial information (e.g., financial statements and reports, presentations to the financial community, trading performance of the Company's shares) and non-financial information (e.g., performance of key sustainability indicators) as well as press releases and the Company's financial calendar.

In order to further promote an open, constant dialogue with all its shareholders and in compliance with the recommendations of the new Code of Corporate Governance (art.1 Recommendation 3), at the meeting on 18 December 2020, the Board adopted, on the proposal of the Chairman made in agreement with the Chief Executive Officer, the "Policy for the management of dialogue with all Shareholders" (the "**Policy for the management of dialogue with all Shareholders**"), which, also taking into account the engagement policies adopted by the main institutional investors and the Italgas asset managers, sets out the general principles, the management procedures and the main contents of the dialogue between Italgas and its Shareholders.

Pursuant to the Policy for the management of dialogue with all Shareholders, such dialogue should take place in accordance with the principles of transparency, timeliness, equal treatment, promotion of the corporate purpose and compliance.

In short, the activities aimed at establishing a dialogue between Italgas and its partners mainly consist of making disclosure documentation (financial statements, business plan, presentations, sustainability plan, etc.) available on the corporate website and offering the possibility of direct contact between the Company and the investors through the Investor Relations Office and the Company's Secretary, as well as through the social media channels (Twitter, Instagram, Facebook, LinkedIn). For institutional investors, the Company also organises one-to-one meetings, group meetings, both physical and virtual, presentations in the event of quarterly results and the presentation of the industrial plan, as well as presentations, investor days, roadshows, conference calls and participation in specific conferences with investors organised by third parties.

The Policy for the management of dialogue with Shareholders, which details the procedures for dialogue with investors, is available for consultation on the Company's website: <https://www.italgas.it/wp-content/uploads/sites/2/2021/07/Shareholders-Engagement-Policy.pdf>

The Shareholders' Meeting is seen as an essential appointment for Italgas and its Investors.

In addition, for institutional investors Italgas organised physical and/or virtual one-to-one meetings, group meetings and presentations, managed by the Investor Relations Department, in 2021: (i) the publication of quarterly results (March, May, July and October); (ii) the ordinary and extraordinary shareholders' meeting in April; (iii) the presentations of the 2021-2027 Strategic Plan in June; and (iv) the acquisition of Depa Infrastructure in September. The meetings were attended by members of the Investor Relations department and, where appropriate, the Chief Executive Officer as well as the General Manager of Finance and Services, the CFO and the department heads as deemed necessary from time to time. For example, in the first part of the year, meetings specifically dedicated to shareholders' engagement were organised prior to the Shareholders' Meeting, with the presence of representatives of the HR department and with a focus on remuneration and sustainability, while the Sustainability Manager also participated in meetings with investors when attending conferences with a focus on matters concerning sustainability. Some meetings were also held dedicated solely to bond investors.

The Chairman ensured, during the Board meeting on 21 February 2022, that the Board of Directors was informed about the development and significant contents of the dialogue that had taken place with all shareholders.

The Company gathers feedback from investors during and after the meetings and once a year, through an external provider, conducts a "perception study" focused on strategic and valuation topics via a questionnaire submitted to a group of investors and financial analysts.

Italgas uses the "eMarket SDIR" to transmit Regulated Information and a centralised storage mechanism called "eMarket STORAGE" to store Regulated Information, accessible at the following address www.emarketstorage.com, both of which are managed by Spafid Connect S.p.A., with registered office in Foro Buonaparte 10, Milan.



15.0 | Shareholders' Meetings

15.1 Shareholders' Meeting

The Shareholders' Meeting represents all shareholders and its resolutions oblige shareholders, even if they did not take part, abstained or dissented.

There are Ordinary and Extraordinary Shareholders' Meetings, pursuant to the law, held in a single call and convened through a call notice to be published in accordance with the terms and conditions required by law and are validly constituted and resolve through the legally-required majority. The By-Laws do not provide for derogations from the percentages established pursuant to the applicable regulations for the exercise of the actions and prerogatives put in place for the protection of minorities.

The Ordinary Shareholders' Meeting on 4 August 2016, on the recommendation of the Chairman of the Board of Directors, approved the Regulation governing the orderly and effective conduct of shareholders' meetings, guaranteeing the right of each shareholder to speak on the agenda items being discussed. The Shareholders' Meetings Regulation can be consulted on the Company's website: https://www.italgas.it/export/sites/italgas/italgas-gallery/Documenti_it/07-governance/01-sistema-di-corporate-governance/01-assemblea-degli-azionisti/Regolamento-Assemblea-Italgas.pdf

15.2 Powers of the Shareholders' Meeting

The Shareholders' Meeting resolves on the legally-required issues. However, as permitted by law, the By-Laws give the Board of Directors the power to resolve on the following issues:

- | merger by incorporation of wholly-owned companies or at least 90%-owned and demerger in the same scenarios;
- | institution, modification and elimination of secondary offices;
- | the decrease of the corporate share capital when a shareholder withdraws;
- | compliance of the By-Laws with regulatory provisions;
- | the transfer of the registered office within Italy.

15.3 Right to attend

The right to attend Shareholders' Meetings is governed by law, the By-Laws and the provisions contained in the call notice.

Pursuant to the applicable regulations, entitlement to attend a Shareholders' Meeting and exercise the right to vote is certified by a notification to the party with the right to vote, sent to the Company by the intermediary and issued based on the accounting evidence at the end of the seventh day the market is open prior to the date set for the Shareholders' Meeting (the "record date").

Whoever has the right to vote can, within the limits of the law, be represented through a written proxy, which the Company should be notified of by certified electronic mail.

In order to facilitate the verification of the representation powers, the Shareholders' Meeting Regulation requires that those who take part in the Shareholders' Meeting as legal or voluntary representatives of those entitled to attend and exercise voting rights can present the documentation proving their entitlement to the Company Secretary.

The By-Laws indicate that the Company must provide space to shareholder associations which satisfy the pertinent regulatory requirements, according to the terms and conditions agreed from time to time with their legal representatives, for communicating and gathering proxies from employee shareholders of the Company and its subsidiaries.

In order to ensure the correctness of the discussion and the right to speak of those having this right, the Shareholders' Meeting Regulation gives the chairman of the meeting the task of managing proceedings and authorising powers. Specifically, when opening the proceedings, the chairman of the meeting establishes the maximum duration of each speech, usually not more than fifteen minutes. Each person entitled to speak at the meeting and exercise the right to vote or their representative can only speak once on each agenda item and can submit a request to speak to the office of the chairman from the time the Shareholders' Meeting is established and until the chairman of the meeting opens the discussion on each agenda item. When inviting people to speak, the chairman of the Meeting usually follows the order the requests to

speak were submitted in. Speeches in reply are not permitted. When the discussion is closed, only short declarations of the voting are allowed.

Shareholders may ask questions about agenda items both prior to and during the Meeting. Pursuant to the Shareholders' Meetings Regulation, if shareholders have submitted questions before the start of the proceedings of the meeting for which the Company has not yet given a reply, the Chairman responds during the meeting, at the end of all the speeches on each specific item on the agenda, provided that: (i) the questions are related to the items on the agenda; (ii) the information request is not already available in the "question and answer" format in the dedicated section of the Company's website. The Company can provide a single response to questions having the same content.

In this regard, Article 127-ter of the CLF provides, inter alia, that the call notice must indicate the deadline by which questions raised prior to the Shareholders' Meeting must reach the Company. The deadline may not be earlier than five trading days prior to the date of the Shareholders' Meeting on first or single call, or the record date pursuant to Article 83-sexies, subsection 2, CLF (end of the accounting day of the seventh trading day prior to the date set for the Shareholders' Meeting) if the call notice requires the Company to provide, prior to the Shareholders' Meeting, an answer to the questions received. In this case, the answers shall be provided at least two days before the Shareholders' Meeting, as well as by publication in a special section of the Company's website; holding the voting right may also be certified after the questions have been sent, provided that it is within the third day following the aforementioned record date. The Regulations of the Shareholders' Meetings provide for the possibility that experts, financial analysts, journalists and representatives of the independent auditors may attend the Shareholders' Meeting, with the consent of the chairman of the meeting; in order to do this, they must send a request to the Company's Secretary, in the manner indicated in the notice of meeting, at least two days before the meeting.

15.4 Shareholders' Meetings

During the financial year, an ordinary and extraordinary shareholders' meeting was held on 20 April 2021.

In view of the health emergency related to the COVID-19 epidemic, the Company has decided to exercise the right provided for in art. 106, subsection 4, of Law Decree no. 18 of 17 March 2020 (so-called "Cura Italia Decree"), establishing that those entitled to participate in the Shareholders' Meeting may only do so through the designated representative of the Company pursuant to art. 135-undecies of the CLF and art. 10.2 of the company Bylaws – i.e., the company Georgeson S.r.l. with registered offices in Rome, Via Emilia 88).

The Chairman of the Board of Directors, Alberto dell'Acqua, the Directors Paolo Gallo, Silvia Stefini, Yunpeng He, Giandomenico Magliano, Veronica Vecchi, Andrea Mascetti, Paola Annamaria Petrone as well as the Chairman of the Board of Statutory Auditors Pierluigi Pace and both Standing Auditors, Marilena Cederna and Maurizio Di Marcotullio, attended the meeting (via conference calls, including from the Company's registered office).

In order to facilitate the participation in the meeting and the exercise of the right to vote by the shareholders, the Company has identified as designated representative, pursuant to art. 135-undecies of the CLF, Georgeson Srl, an entity with specific know-how in this area, to which the shareholders were able to delegate a representative free of charge, also pursuant to art. 135-novies of the CLF. The Appointed Representative provided support and information to shareholders on the granting of representatives and the exercise of voting rights, making available a toll-free number, a number that can be used from abroad and an email address specifically for Italgas shareholders.

In addition to the e-mail address and telephone numbers of the Company Secretary and Investor Relations department, the Company has also set up a certified e-mail address reserved for the Shareholders' Meeting. In addition, a section of Italgas' website dedicated to the Shareholders' Meeting has been set up, in which shareholders are provided with the following information: (i) all notices, documents and reports relating to the Shareholders' Meeting, including forms for legal representatives; (ii) a FAQ section, containing information in a "question and answer" form; (iii) indications on how to exercise shareholders' rights (e.g. right to ask questions, right to request integration of the agenda, etc.); (iv) an interface for sending questions directly from the website.

In addition, the Shareholders' Meeting was broadcast live via streaming, in order to allow all shareholders and stakeholders to follow the proceedings of the meeting.

The Board of Directors has worked to ensure that shareholders are provided with adequate information on the elements necessary for them to take, with full knowledge of the facts, the decisions within the competence of the Shareholders' Meeting, through the publication, within the time limits provided for by law, of all the documentation supporting the discussion of the items on the agenda, formulating proposals for resolutions on all the items on the agenda and accompanying them with detailed and exhaustive illustrative reports.

No requests have been made to add any items to the agenda of the Shareholders' Meeting, nor have proposals for resolutions on items on the agenda been received, pursuant to Article 126-bis of the CLF, and no requests were received pursuant to Article 127-ter of the CLF.

In this last regard, it should be noted that the Company, in line with Consob Communication no. 3/2020 of 10 April 2020, has brought forward the deadline for the publication of the response to the shareholders' questions, in order to provide such responses before the deadline for conferring or revoking the proxy to the Designated Representative.

At the Meeting, the Board reported on its activities and plans. In particular, the Chairman read out the letter to Italgas Shareholders and Stakeholders, in which he highlighted, among other things, the Group's ability to respond reactively to the Covid-19 health emergency, the transition to the preparation of the Integrated Annual Report and the role that Italgas, as the leading gas distribution company in Italy and the third largest in Europe, intends to play with respect to its infrastructures in the energy transition process.

The CEO, via a live streaming presentation³², illustrated the results achieved and the future objectives of the Italgas Group, describing the reference scenario and the role of gas infrastructures in the energy transition, investments and network digitalisation, growth opportunities and the integration of sustainability in the Italgas Group strategy.

Finally, the Chairman of the Appointments and Compensation Committee read out the letter from that Committee to the stakeholders, which also reported on how the Committee should exercise its functions.

Please note that, pursuant to Article 106 of Law Decree No. 18/2020, converted with amendments into Law No. 27/2020, as subsequently extended most recently by Law Decree No. 228/2021 (the "Milleproroghe" Decree), converted with Law no. 15/2022, participation in the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2021 will take place in the manner indicated in the relevant call notices, in compliance with the aforementioned Article 106 of Law Decree No. 18 of 17 March 2020.

³² The presentation is available on the Italgas website, in the "Financial Statements and Presentations" section at the following link: <https://www.italgas.it/wp-content/uploads/sites/2/2021/06/Presentazione-Assemblea-Azionisti-2021.pdf>



16.0 | Further Corporate Governance practices

16.1 Organisational model pursuant to Legislative Decree no. 231 of 8 June 2001

On 18 October 2016, the Board of Directors of Italgas approved for the first time its own organisation, management and control model pursuant to Legislative Decree no. 231 of 8 June 2001 (the “Model 231”), which can be consulted on the Company’s website: <https://www.italgas.it/governance/modello-231/>.

Model 231 was then supplemented, following a detailed and complete risk assessment and gap analysis of all of the Company’s functions and processes, by the Special Part, which illustrated the Processes, Sensitive Activities and specific control standards of Model 231 relating to each type of offence.

The Special Part of Model 231 was approved by the Board of Directors on 14 December 2017, after the approval of the Control, Risk and Related Party Transactions Committee and of the Board of Statutory Auditors on 13 December 2017.

Over time, Model 231 (including the Special Part) has been updated several times in relation, on the one hand, to the entry into force of regulatory changes that have affected Legislative Decree no. 231 of 8 June 2001, and, on the other hand, to changes in internal organisational structures that have affected Italgas.

Lastly, on 16 December 2021, the Italgas Board of Directors, having obtained the favourable opinion expressed by the Risk Control and Related Party Transactions Committee and the Board of Statutory Auditors, approved the latest update of Model 231, including the Special Part.

This update proposal was defined taking into account, among other things: (i) the Corporate Governance Code published in January 2020, (ii) the recommendations contained in the “Guidelines for the construction of organisational, management and control models pursuant to Legislative Decree no. 231 of 8 June 2001”, approved by Confindustria on 7 March 2002 and most recently updated in June 2021, and (iii) the most recent regulatory changes to the legislative decree of 8 June 2001, no. 231, resulting in the extension of its scope to include some new alleged offences and the amendment of some cases already provided for in Model 231 (in particular, reference should be made to the regulatory changes made following the entry into force of the implementation of the so-called “PIF Directive” which resulted in the extension of the scope of the liability of entities to new crimes against the Public Administration and tax crimes as well as to some contraband crimes).

The current version of Italgas’ Model 231 consists of:

- | the General Section, in addition to the Code of Ethics which is an integral part of Model 231, that contains, among other things, a description of the following issues: (i) risk analysis methodology; (ii) functions of the Supervisory Board, with specification of tasks, powers and information flows to that regard; (iii) methods of communicating Model 231, and information and training to its addressees; (iv) structure of the disciplinary system and whistleblowing; (v) control measures defined by the Company; and (vi) rules for updating Model 231 itself;
- | the Special Part that, with regard to the corporate processes included in the Italgas Enterprise System, identified as potentially at risk, and with regard to the corporate functions involved in the aforesaid processes, includes: (i) the activities which, according to the reasonableness criterion, may abstractly entail the risk of committing the offences underlying the liability referred to in Legislative Decree no. 231 of 8 June 2001; (ii) the categories of offence referred to in Legislative Decree no. 231 of 8 June 2001 considered potentially relevant in view of the sensitive activities identified; (iii) the measures aimed at preventing the risk of committing the aforementioned offences, structured in, among other things, cross-cutting standards and specific control standards.

Model 231 is intended for members of the corporate bodies, management and employees of Italgas, as well as for all those operating to achieve Italgas’ objectives.

Pursuant to Model 231, the Board of Directors appoints a Supervisory Board after hearing the opinion of the Control, Risk and Related Parties Transactions Committee, as well as after hearing the opinion of the Board of Statutory Auditors on the proposal of the Chief Executive Officer in agreement with the Chairman of the Board of Directors.

The Supervisory Board supervises, among other things, the effectiveness of Model 231 and the activities for its implementation and updating. The Supervisory Board defines and carries out its activities in accordance with the rule of

collective responsibility, it has autonomous powers of initiative and control, and regulates its own operation by means of specific regulations.

Model 231 establishes the information flows from the various corporate officers and functions of Model 231 to the Supervisory Board and from the latter to top management, and in particular to the Board of Directors, the Chief Executive Officer, the Chairman of the Board of Directors, the Control, Risk and Related Party Transactions Committee and the Board of Statutory Auditors.

The Supervisory Board of Italgas is composed of three external members, one of whom is the Chairman, chosen from among persons with proven skills and experience in issues relevant to the Company, such as, for example, law, corporate law and economics and business organisation.

The term of office of members of the Supervisory Body is aligned with that of the Board of Directors which appointed them. The term of office of the Body expires on the date of the Shareholders' Meeting called to approve the financial statements for the last year of the office, although it continues to perform its duties in the interim period until a new Supervisory Body is appointed.

In order to ensure coordination between the various parties involved in the Internal Control and Risk Management System, the Supervisory Board uses a Technical Secretarial Office, made up of internal Company representatives and, in turn, supported by the competent Italgas departments.

On 23 September 2019, the Board of Directors appointed the new Supervisory Body in the persons of Prof. Carlo Piergallini, as Chairman, Ms Marcella Caradonna and Prof. Francesco Profumo.

Ms Marcella Caradonna resigned from the office on 3 May 2021. On 1 July 2021, the Board of Directors appointed Ms Romina Guglielmetti as a member of the Supervisory Body to replace Ms Marcella Caradonna.

Each Subsidiary:

- | autonomously adopts and updates its own organisation, management and control model pursuant to Legislative Decree no. 231 of 8 June 2001, based on the specific nature of the Company, also taking into account the indications and implementation methods provided by Italgas according to the organisational and operational structure of the Italgas Group;
- | establishes an autonomous and independent Supervisory Board. Model 231 provides that the Supervisory Bodies of the Subsidiaries, and that of Italgas, operate in a relationship of mutual cooperation and coordination with regard to relevant issues relating to Legislative Decree no. 231 of 8 June 2001.

The Subsidiaries have adopted, for the first time, their own organisation, management and control model pursuant to Legislative Decree no. 231 of 8 June 2001, as indicated below:

- | Toscana Energia S.p.A. on 19 February 2009;
- | Italgas Reti S.p.A. on 25 November 2016;
- | Italgas Acqua S.p.A. on 3 January 2018;
- | Seaside S.p.A. on 16 April 2018;
- | Medea S.p.A. on 18 May 2018;
- | Gaxa S.p.A. on 27 November 2019;

As regards the Associated Companies, Metano Sant'Angelo Lodigiano S.p.A. and Umbria Distribuzione Gas S.p.A., the adoption, for the first time, of their own organisation, management and control model pursuant to Legislative Decree no. 231 of 8 June 2001 took place respectively on 17 November 2005 and 7 March 2019.

Similarly to Italgas' Model 231, the organisation, management and control models pursuant to Legislative Decree no. 231 of 8 June 2001 of the aforementioned Subsidiaries and Associates have also been updated from time to time in consideration of the regulatory changes that affect Legislative Decree no. 231 of 8 June 2001 and the organisational changes.

During 2021, the aforementioned Subsidiaries and Associates initiated a project aimed at updating their own organisation, management and control model pursuant to Legislative Decree

no. 231 of 8 June 2001, in line with the similar project initiated by Italgas.

In particular, they updated their respective organisation, management and control models pursuant to Legislative Decree no. 231 of 8 June 2001, after consulting their respective Boards of Statutory Auditors and Supervisory Bodies, on the following dates:

- | Medea S.p.A on 16 December 2021;
- | Metano Sant'Angelo Lodigiano S.p.A on 17 December 2021;
- | Toscana Energia S.p.A. on 20 December 2021;
- | Italgas Acqua S.p.A. on 20 December 2021;
- | Gaxa S.p.A on 21 December 2021;
- | Italgas Reti S.p.A. on 22 December 2021;
- | Seaside S.p.A. on 23 December 2021.

On 30 June 2021 and 23 December 2021 respectively, the Boards of Directors of the Subsidiaries Bludigit S.p.A. and Fratelli Ceresa S.p.A. adopted, for the first time, the General Parts of the relevant Model 231. Bludigit S.p.A. has already started the activities aimed at constructing the Special Part of its Model 231. Fratelli Ceresa S.p.A. is also expected to carry out similar activities in 2022.

The approval of the updated version of Model 231 of Umbria Distribuzione Gas S.p.A. is expected in 2022.

Subject to appropriate customisation, the current versions of the organisation, management and control models pursuant to Legislative Decree no. 231 of 8 June 2001 of the aforementioned Subsidiaries and Associates share the same principles, logic and architecture of Italgas Model 231, as described above.

16.2 The Code of Ethics and the Supervisor

On 18 October 2016, the Board of Directors approved for the first time its own Code of Ethics, which is an integral part of Model 231, available on the Company's website:

<https://www.italgas.it/governance/etica-dimpresa/codice-etico/>

During 2021, Italgas then started the activities relating to the updating of the Code of Ethics.

These activities were carried out taking into account the principles and values that the Italgas Group itself recognises, accepts and shares, as illustrated in, among other things, the Strategic Plan, the Sustainability Plan, the Integrated Annual Report and the Policies adopted by the Italgas Group.

In particular, for the purposes of drafting the updated version of the Code of Ethics: (i) sustainability issues have been emphasised, including by formally referring to documents on the subject, including the Sustainability Policy, the Human Rights Policy and the HSEQE Policy; (ii) greater emphasis has been placed on the Italgas Group's commitment to preventing and combating corruption, also by virtue of the certification obtained by Group companies pursuant to the provisions of UNI ISO 37001: 2016; (iii) Italgas Group's commitment to compliance with the provisions of the law, including those concerning the fight against organised crime and money laundering, and to respect for human rights in internal and external relations, has been emphasised; (v) emphasis has been placed on the promotion of wellbeing and dialogue between Italgas Group personnel (vi) emphasis has been placed on the Group's commitment to the digitalisation of corporate assets and processes, and to the development and implementation of strategies in the field of IT and corporate security; (vii) greater emphasis has been placed on the means of communication used to support an open and transparent dialogue with stakeholders.

On 16 December 2021, the Board of Directors, having obtained the favourable opinion expressed by the Control, Risk and Related Party Transactions Committee and the Board of Statutory Auditors, approved the updated version of the Code of Ethics.

The Code of Ethics is a collection of the values that the Company recognises, accepts and shares and the responsibilities it assumes within and outside of its organisation. The stated values in the Code of Ethics define a shared value system which expresses Italgas' business ethics culture. It forms the basis for the Company's strategic line of thought and the conduct of its corporate activities.

The Code of Ethics represents an irrevocable general principle of Model 231 and contains the fundamental principles by which Italgas is inspired, including respect for the law, protection of human rights, preventing and contrasting corruption, contrasting money laundering and organised crime, fair competition, honesty, integrity, fairness and good faith towards all parties with which it has relations, including stakeholders.

It also contains the general principles by which Italgas is inspired in terms of sustainability and corporate responsibility, as well as a reminder of the principles that must be respected in terms of health, safety and public security, research, innovation and protection of intellectual property, confidentiality and protection of personal data.

The Code of Ethics applies with regard to "Italgas people" or directors, statutory auditors, management and employees of Italgas, as well as all of those who work to achieve the objectives of Italgas, each within the scope of their functions and responsibilities. The representatives indicated by Italgas on the corporate bodies of investee companies, consortia and joint ventures promote the principles and contents of the Code of Ethics within their areas of responsibility.

The Supervisory Board is entrusted with the functions of guarantor of the Code of Ethics, with the task of:

- | promoting the implementation of the Code of Ethics and issuing the reference internal regulatory instruments;
- | promoting initiatives that are helpful in disseminating and raising awareness of the Code of Ethics also in order to avoid the repetition of violations;
- | promoting communication and training programmes for Italgas management and employees;
- | examining notices of possible violations of the Code of Ethics, promoting the most suitable checks and intervening, even in response to notifications from "Italgas people", in cases of notices of possible violations of the Code deemed to be not duly dealt with or retaliations suffered by the same person following notification;
- | notifying the competent departments of the results of important checks for the adoption of any disciplinary proceedings; and
- | informing the line departments/competent areas of the results of important checks in order to implement appropriate measures.

The guarantor of Italgas' Code of Ethics will also submit a half-yearly report, on the implementation and any need to update the Code of Ethics, to the Control and Risk Committee and Related Party Transactions and to the Board of Statutory Auditors, as well as to the Chairman of the Board of Directors and the Chief Executive Officer, who shall report to the Board of Directors.

16.3 Antitrust Code

On 18 October 2016 the Board of Directors approved its Antitrust Code of Conduct (the “Antitrust Code”) which defines the guidelines of the behaviour which all employees of Italgas and Subsidiaries should conform to in order to guarantee the compliance of Italgas and its Subsidiaries with the principles dictated by the applicable regulations on antitrust issues.

The Antitrust Code applies to the entire Italgas Group as part of Italgas’ management and co-ordination activities, and is one of the initiatives aimed both at protecting competition as part of the business culture and at implementing suitable procedures and systems for minimising the risk of violations of antitrust laws, under the broader umbrella of the compliance initiatives of the Italgas Group.

The adoption of the Antitrust Code is part of the broader antitrust compliance programme promoted by the Italgas Group, which develops, inter alia, the establishment of an antitrust department within the Legal Department, which anyone in the Group can apply to for communications concerning the interpretation and application of the Antitrust Code and whenever a situation with potential antitrust risk arises.

Due to the evolution of the structure and organisation of the Italgas Group, on 27 July 2020, the Board of Directors approved the update of the “Antitrust Compliance Standard” (“Antitrust and Consumer Protection Code of Conduct”), subsequently adopted by all Subsidiaries. In particular, on the one hand references to consumer protection provisions were analysed in depth, and, on the other, the description of the main circumstances prohibited by competition law was outlined in more detail, also using accurate references to the decision cases of the Italian Competition Authority.

This update was preceded by an assessment aimed at verifying the level of updating, in light of the criteria established by the guidelines of the Italian Competition Authority, of the “Antitrust” Compliance Standard already in force for Group companies.

An updated Antitrust and Consumer Protection Manual is attached to the Antitrust and Consumer Protection Code of Conduct, which describes the main antitrust and consumer protection provisions and provides an overview of the most important decision-making practices of the Italian Competition Authority.

The Manual is a more in-depth instrument available to the Italgas Group to carry out training and for any analysis that the Antitrust Oversight may be called to carry out in the exercise of its duties.

To complement the broader antitrust compliance programme, training was provided during the second half of 2021 to all those with roles within the Group with particular relevance to antitrust and consumer protection.

The Antitrust and Consumer Protection Code of Conduct is available on the Company's website: <https://www.italgas.it/en/governance/compliance-procedures/>

16.4 Certification

UNI ISO 37001:2016

On 24 December 2018, Italgas and Italgas Reti S.p.A. achieved, for the first time, through the certifying body DNV-GL, Business Assurance Italia S.r.l. (DNV-GL), the three-year UNI ISO 37001:2016 certification of its management system for preventing and combating corruption in compliance with the requirements of the aforementioned standard on preventing and combating corruption in all its forms.

In order to adjust the management system to prevent and combat corruption to the provisions of the UNI ISO 37001:2016 from the year 2018, Italgas and Italgas Reti S.p.A. have equipped themselves with, among other things, a specific Corruption Contrast and Prevention Policy that sets out the objectives and regulatory principles of the management system for the prevention and the fight against corruption, which are regulated in more detail within the

Compliance Standard ITH-STC-062 on "Anti-Corruption", updated over time in order to optimise its pre-existing contents, also in line with the requirements of the above-mentioned UNI ISO 37001:2016 standard.

The management systems for preventing and contrasting corruption adopted by Italgas and Italgas Reti S.p.A. were audited by DNV-GL in order to obtain the renewal of the certification (expiring on 24 December 2021) which, in 2019 and 2020, had been confirmed following specific maintenance audits, for both companies.

Following the audit activities conducted on 26, 27, 28 October and 2, 3, 4 and 5 November 2021, Italgas and Italgas Reti S.p.A. obtained the three-year renewal of their certification.

As a result of the aforementioned verification activities, the Certifying Body did not find any "non-compliance", highlighting that the management systems for preventing and contrasting corruption adopted by Italgas and Italgas Reti S.p.A. are effective and comply with the requirements of the UNI ISO 37001:2016 standard. In detail, the certification renewal audits were concluded, as regards Italgas, with the formulation of 7 opportunities for improvement, while with regard to Italgas Reti S.p.A., with the proposal of 1 observation and 1 opportunity for improvement.

In its audit report on Italgas and Italgas Reti S.p.A., the certifying body highlighted the following additional noteworthy elements: (i) transparency and cooperation on the part of all departments interviewed; (ii) integration of compliance management tools, in particular, in the area of risk assessment pursuant to UNI ISO 37001:2016 and risk assessment; (iii) constant strengthening of anti-corruption control mechanisms; (iv) provision of a specific improvement objective relating to the integration of the compliance standard "Anonymous reports received by Italgas and its Subsidiaries" (ITH-STC-061-R01) with the provisions of the new international Standard ISO 37002:2021(E) setting out the "Guidelines for the update, implementation, management, assessment, maintenance and improvement of a robust and effective whistleblowing management system within an organisation" and Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on "the protection of persons who report breaches of Union law" (pending transposition by Italian law); (v) investments in the digitalisation of business processes with a view to pursuing greater traceability of relevant activities within the scope of the Management Systems; and (vi) the adoption of a specific tax strategy by the entire Italgas Group, functional to ensuring asset integrity and transparency in the management of the tax variable and the risks associated with it.

During the year, verification activities were also carried out to maintain the UNI ISO 37001:2016 certification of the management system for preventing and contrasting corruption adopted by the following Subsidiaries and Associates: Italgas Acqua S.p.A., Toscana Energia S.p.A., Medea S.p.A., Gaxa S.p.A., Seaside S.p.A., Umbria Distribuzione Gas S.p.A. e Metano Sant'Angelo Lodigiano S.p.A.

In accordance with the provisions of the UNI ISO 37001:2016 standard, as of 2020, each Subsidiary and Associate:

- | adopted the Italgas' corruption prevention and contrast policy, which sets out the principles that the management system for preventing and contrasting corruption recognises and underpins;
- | has identified the compliance function for preventing and contrasting corruption, which is assigned the roles, responsibilities and powers that the UNI ISO 37001:2016 standard assigns to this function, including: (i) supervising the design and implementation of the management system for preventing and combating corruption and its compliance with ISO requirements; (ii) carrying out the review of the management system for preventing and combating corruption and (iii) reporting on the performance of the management system for preventing and combating corruption to the competent corporate bodies and functions;
- | adopt, in compliance with the provisions of the Italgas Enterprise System (i) if a Subsidiary Company, the organisational and governance model adopted by Italgas S.p.A. and therefore the regulatory and organisational tools of the management system for preventing and combating corruption of the same, including the "Anticorruption" Compliance Standard (ITH-STC-062-R00), the "Review for preventing and combating corruption" Compliance Standard (ITH-STC-067-R01), the "Reports, including anonymous reports, received by Italgas and its Subsidiaries" Compliance Standard (ITH-STC-061-R00); (ii) if an Investee Company, a management system manual which defines a systematic framework of reference for anti-corruption regulations, identifying roles and persons responsible for company processes at risk of corruption in order to ensure compliance with Anti-Corruption Laws.

The maintenance audits carried out with reference to the management systems for preventing and contrasting corruption adopted by the Subsidiaries and Associates were positively concluded with the confirmation of the certification, achieved during 2020; in particular, with the outcome of the verification activities, DNV-GL proposed:

- | with regard to Italgas Acqua S.p.A., 3 opportunities for improvement;
- | with regard to Umbria Distribuzione Gas S.p.A. and Metano Sant'Angelo Lodigiano S.p.A., 2 opportunities for improvement and 1 observation each;
- | with regard to Gaxa S.p.A., Medea S.p.A. and Seaside S.p.A., 1 observation and 1 opportunity for improvement each.
- | With regard to Toscana Energia S.p.A., the Certifying Body did not make any remarks.

The Certifying Body also highlighted, as noteworthy elements, among other things (i) the cooperation and transparency of the personnel interviewed and (ii) the structuring of integrated compliance with reference to the control systems pursuant to Legislative Decree 231/2001 and to the UNI ISO 37001:2016 standard.

With reference to the year 2021, certification in accordance with UNI ISO 37001:2016 of all management systems for preventing and contrasting corruption was once again achieved on the following dates: (i) Italgas (16 November 2021); (ii) Italgas Reti S.p.A. (16 November 2021); (iii) Italgas Acqua S.p.A. (16 November 2021); (iv) Umbria Distribuzione Gas S.p.A. (16 November 2021); (v) Metano Sant'Angelo Lodigiano S.p.A. (16 November 2021); (vi) Seaside S.p.A. (1 December 2021); (vii) Medea S.p.A. (16 December 2021); (viii) Toscana Energia S.p.A. (16 December 2021); (ix) Gaxa S.p.A. (16 December 2021).

The certification of the aforementioned management systems for preventing and contrasting corruption is further confirmation of Italgas S.p.A. Group's commitment to preventing and contrasting any form of corruption.

The observations and opportunities for improvement formulated by the Certifying Body in relation to the management systems for preventing and contrasting corruption adopted by Italgas and its Subsidiaries and Associates, were taken into account, as usual, by the Company's competent departments for the purpose of the relevant assessments and their definition with a view to pursuing the continuous improvement of the aforesaid systems.

16.5 Anticorruption Procedure

On 18 October 2016 the Italgas Board of Directors adopted the Anticorruption Procedure for the purpose of providing a systematic reference framework of rules and procedures on anticorruption issues.

Following the achievement of the UNI ISO 37001:2016 certification on management systems for preventing and contrasting corruption, the procedure in question was updated by issuing, on 13 December 2018, the "Anticorruption" Compliance Standard, together with the Corruption Prevention and Contrast Policy. The Anticorruption Standard is an integral part of the Corporate Reporting Internal Control System.

This Standard, in line with the Italgas Code of Ethics, prohibits corruption, in any form with regard to any public or private individual and introduces a specific system of rules aimed at guaranteeing the compliance of Italgas with the best international standards in the fight against corruption, also protecting Italgas' reputation, in compliance with the tenth principle of the Global Compact³³ which Italgas adheres to.

Pursuant to the Anticorruption Standard a Legal Anticorruption Department was established, with the task of monitoring the adoption of the Anticorruption Standard, updating it and educating personnel.

There are specific information flows to the competent corporate departments with regard to requests for a public and/or a private official to establish cases of corruption or a specific reporting system with regard to any suspected violation of the anticorruption laws or the Anticorruption Standard.

The "Anticorruption" Compliance Standard applies to the Italgas Group under the scope of the direction and coordination activities exercised by the Company.

The Anti-Corruption Compliance Standard is available on the Company's website:

<https://www.italgas.it/en/governance/business-ethics/anti-corruption/>

³³ The Global Compact is an international initiative launched in July 2000 by the United Nations to support ten universal principles relating to human rights, work, the environment, and the fight against corruption, which unites governments, businesses, agencies of the United Nations, employment organisations and civil society, with the goal of creating "a more inclusive and sustainable global economy" introducing compliance with and the application of shared values.

16.6 Whistleblowing Procedure

On 18 October 2016 the Board of Directors approved a whistleblowing procedure consistent with the best practices on the matter (the “Whistleblowing Procedure”), which regulates the process of receiving, analysing and dealing with notifications sent or transmitted by any party, including confidentially and anonymously, regarding any irregularities or violations of the applicable regulations and internal procedures (whistleblowing).

The Whistleblowing Procedure responds to the provision of Model 231, constituting a regulatory tool pursuant to Italgas’ Anticorruption Procedure as well as an integral part of the Corporate Reporting Internal Control System.

The Whistleblowing Procedure applies in Italgas and its Subsidiaries under the scope of Italgas’ direction and coordination activities. The report management and related data processing for privacy purposes is carried out by Italgas, including in the interest of its subsidiaries, in compliance with the principles of proper business management of the same subsidiaries whilst respecting their decision making independence and in observance of the regulations in force and the internal privacy policy, thereby also fulfilling the confidentiality requirements underlying the performance of preliminary investigation activities.

The Whistleblowing Procedure establishes the criteria and procedures for establishing suitable information channels, and is entrusted to the Internal Audit department, to ensure the receipt, analysis and processing of notifications made by employees (including senior managers), members of corporate bodies or third parties, including in confidential or anonymous form.

Each notification is analysed by the Notifications Committee, composed of the Head of Human Resources & Organization, the Head of Legal, Corporate Affairs and Compliance and the Internal Audit Manager, which ensures the necessary requirements of independence, confidentiality and competence. Once this analysis has been completed, the notifications received are classified according to issues relating to the internal control system, corporate information, administrative liability of the Company, fraud, corrupt behaviour or other issues (breaches of the Code of Ethics, mobbing, thefts, security, etc.).

It is the responsibility of the Internal Audit department to promptly inform the senior management of the Company concerned and to forward notifications to the Company’s Supervisory Body for the relevant evaluations and actions. The investigations are carried out by the Internal Audit department or by the business units responsible for carrying out specialised checks (Security, Technical Audit, Legal, Personnel, etc.), while always ensuring that the necessary independence and confidentiality requirements are met.

The assessment of whether the reports are well-founded or not is the responsibility of the Supervisory Board or the Notifications Committee, within the areas of their respective competences. On the basis of the findings transmitted by the Supervisory Board or the Notifications Committee, the Company shall take the necessary or appropriate measures, including measures aimed at strengthening the internal control system.

The Internal Audit department ensures the maintenance and updating of a specific computer archive, using appropriate tools and procedures to ensure the necessary levels of security and confidentiality, as well as the preparation of periodic reporting that includes information about the notifying party, the notified matter, the content and type of the notifications, the unit responsible for the conduct of investigations and their outcomes, the final assessment on the merits or otherwise of the notification, and any decisions taken.

The whistleblowing report is prepared twice a year and sent by the Internal Audit department to the following Company bodies and departments:

- | Chairman;
- | Chief Executive Officer;
- | General Manager;
- | Board of Statutory Auditors;
- | Control, Risk and Related Party Transactions Committee;
- | Supervisory Body;
- | Independent Auditors;
- | Anticorruption Legal.

With reference to notifications relating to the Subsidiaries, the reports, insofar as they are relevant, are sent to the Chief Executive Officers of each Subsidiary concerned, as well as to the related Control and Supervisory Bodies.

The widest circulation of information about the Whistleblowing Procedure is ensured, both internally (through publication on the corporate intranet and postings on notice boards, as well as in the context of internal training activities, particularly with regard to newly appointed employees) and externally (<https://www.italgas.it/it/governance/etica-dimpresa/procedura-segnalazioni/>)..

All organisational units/positions of Italgas and the Subsidiaries involved in receiving and dealing with notifications should guarantee the complete privacy and anonymity of the persons making the notifications, using the criteria and communication methods suitable for protecting the integrity of the persons mentioned in the notifications, as well as the anonymity of those making the notification, so that they are not subjected to any form of retaliation.

Therefore, on 17 December 2019, the Board of Directors approved the updating of the Reporting Procedure, which was replaced by the Compliance Standard “Anonymous reports received by Italgas and its subsidiaries”, introducing an alternative channel for reporting violations, including anonymous ones, by means of a specific form uploaded on the Company’s website, introducing a process for managing so-called qualified reports concerning members of the Board of Directors or Control Bodies (Board of Statutory Auditors and Supervisory Bodies).

These are forwarded to the Secretary of the Board of Directors and the Internal Audit Department, who are required to inform the appropriate Qualified Notifications Committee.

16.7 Personal Data Protection

The European legal framework on personal data protection has been heavily revised by (EU) Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 “on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC”, in effect as of 25 May 2018.

Acknowledging the new approach to risk dictated by the European legislator based on the principle of “accountability”, namely the principle of accountability of the Data Controller, Italgas, since May 2018, specifically adopted a Privacy Organizational Model, defined in accordance with the regulatory provisions of the aforementioned EU Regulation 2016/679.

This Model formalises the roles and responsibilities regarding the protection of personal data processed within the scope of company activities.

Compliance standards were issued in the area of privacy and specifically in the area of Data Protection (with the definition of the key points on which the Data Protection Organisational Model of Italgas and its subsidiaries must be based, the identification of the key figures of the privacy organization chart, the definition of roles and responsibilities in accordance with the recommendations and best practices of the European Committee for Data Protection and the provisions of the Italian Data Protection Authority) and

in the area of Data Breach Management (in order to ensure the governance and implementation of the process of managing personal data violations). The Data Protection compliance standard was updated in 2021, to include the consequences of conduct that does not comply with the Data Protection regulations.

Italgas has appointed a Data Protection Officer (DPO), responsible for informing and advising those involved in the processing of personal data, monitoring compliance with the Regulation, national provisions and company policies on the protection of personal data and cooperating with the Supervisory Authority, acting as a point of contact with the same.

The name of the DPO has been communicated to the Italian Data Protection Authority.

Italgas has kept a register of the processing activities carried out under its responsibility, which contains all the information referred to in art. 30.1 of the Regulation. A descriptive sheet has been prepared for each processing activity. During 2021, the register was regularly updated, as were the information notices on the processing operations themselves.

In accordance with the principle of risk-based management of processing, appropriate technical and organisational measures are implemented to ensure a level of security appropriate to the risk to the rights and freedoms of natural persons, especially taking into account the risks represented by the

processing, resulting in particular from the accidental or unlawful destruction, loss, alteration, unauthorised disclosure or access to personal data transmitted, stored or otherwise processed.

Where processing operations presented a high risk to the rights and freedoms of natural persons, a data protection impact assessment has been carried out to determine, in particular, the origin, nature, particularity and severity of that risk, and to implement, where necessary, additional security measures.

As early as 2019, data protection training was provided to Italgas Group personnel and it is continuously extended and updated, also through distance learning tools.

All the Subsidiaries defined and formally approved a Data Protection Model consistent with the standards which inspired the Italgas Data Protection Model albeit designed in accordance with their specific requirements and their organisational structure. In implementation of the Model, each subsidiary has adopted procedures, appointed a DPO, implemented its own processing register and appropriate security measures and carried out training activities.

With reference to all Italgas Group companies, in 2021:

- | no data breach reports were received
- | no justified complaints relating to personal data breaches were received
- | the Data Protection Authority did not receive requests of any kind
- | no penalties for regulatory breaches concerning personal data protection were applied.

With regard to requests to exercise data subjects’ rights, it should be noted that in 2021 the process adopted by Group companies was subject to a third-party audit and that the audit did not reveal any significant gaps.

17.0 | Changes since the end of the Reference Year

Following the resignation of Mr Yunpeng He on 18 January 2022 with effect from his replacement on 27 January 2022, the Board of Directors co-opted Mr Qijing Shen as a non-executive and non-independent director of the Company, who is therefore in office as at the date of approval of this Report. On the same date, Mr Qijing Shen was also appointed as a member of the Sustainability Committee.

From the end of the Financial Year to the date of the approval of this Report there were no further changes to the Company's corporate governance structure.

18.0 | Comments on the letter dated 3 December 2021 from the Chairman of the Corporate Governance Committee

The letter of 3 December 2021 written by the Chairman of the Corporate Governance Committee to the Chairmen of the Boards of Directors of Italian listed companies (and, for information, to the Chief Executive Officers and the Chairmen of the control bodies) was brought to the attention of the Sustainability Committee during the meeting of 25 January 2022, to the attention of the Appointments and Compensation Committee during the meeting of 19 January 2022, to the attention of the Control and Risk Committee during the meeting of 26 January 2022, and to the Board of Directors and the Board of Statutory Auditors during the meeting of 27 January 2022.

The Board and the Board of Statutory Auditors have taken note of the analyses and recommendations contained in the letter and, with regard to the Issuer, have noted the substantial adequacy of the Company with respect to the requirements therein.

In particular:

- i. reference should be made to what has already been indicated in this Report for information on the methods for pursuing Sustainable Success (see, among other things, paragraphs 1.6, 9.2, 10.1 of this Report, as well as the report on remuneration policy and compensation paid, prepared pursuant to art. 123-ter of the CLF) and on the approach adopted in promoting dialogue with stakeholders, including the policy of dialogue with shareholders (see chapters 4 and 14 of this Report);
- ii. as indicated in paragraph 1.5 above, the Company qualifies as a “large company” that is not a “concentrated ownership” company, and complies with the specific recommendations of the Corporate Governance Code for companies with such characteristics;
- iii. with regard to information prior to the meeting, the Issuer has adopted the Regulations for the operation and organisation of the Board and of the Board committees, which identify, among other things, the recipients, the procedures and deadlines for sending prior information - generally complied with during the financial year - and the procedures for protecting the confidentiality of the data and information provided so as not to prejudice the timeliness and completeness of the information flows. These Regulations also specify that corporate documentation containing price-sensitive information is not normally subject to prior disclosure, notwithstanding the need to ensure that the Board/Committee receives adequate information on the matters on the agenda for the day of the meeting. If such documentation is sent in advance, the provisions on the handling of inside information (see paragraph 4.4 and Chapter 6 of this Report) must be observed;
- iv. the independence criteria defined in the Corporate Governance Code are strictly applied and the supervisory body monitors their correct implementation. Specifically, exemption from each criterion of independence recommended by the Corporate Governance Code is considered exceptional and must necessarily be justified. No exceptions occurred during the financial year. In addition, on 24 February 2021, the Board of Directors, at the proposal of the Appointments and Compensation Committee, approved the quantitative and qualitative criteria for assessing the independence of the Directors and Statutory Auditors of Italgas pursuant to Recommendation No. 7, letters c) and d) and identified “close family members” for the purposes of Recommendation No. 7, letter h) of the Corporate Governance Code. These criteria have already been disclosed in the Corporate Governance and Share Ownership Report for 2020 (see paragraph 4.7 of this Report);
- v. in view of the renewal of the corporate bodies by the Shareholders’ Meeting called to approve the financial statements as of 31 December 2021, the Board of Directors has expressed its opinion on its optimal quantitative and qualitative composition (see paragraph 4.3 of this Report) and has requested those who submit a list, containing a number of candidates exceeding half of the members to be elected, to provide adequate information on the compliance of the list with the aforesaid opinion, as well as to indicate their candidate for the office of Chairman of the Board (see chapter 7 of this Report). The guideline was published well in advance of the publication of the notice of the Shareholders’ Meeting in accordance with the Corporate Governance Code;
- vi. with regard to measures to promote equal treatment and opportunities between genders within the entire company organisation, please refer to paragraph 4.3 of this Report;
- vii. with respect to the recommendations on remuneration policies A) the report on remuneration policy and compensation paid, prepared pursuant to Article 123-ter of the CLF, provides clear and measurable indications for the payment of the variable component and end-of-term indemnities; B) the consistency of the parameters identified for variable remuneration with the strategic objectives of the business and the pursuit of Sustainable Success is adequately considered, and predetermined and measurable non-financial parameters (such as inclusions in sustainability indices and reduction of emissions) are also provided for.

Annex 1

Tables of the Board of Directors, of the Committees and Board of Statutory Auditors

STRUCTURE OF THE BOARD OF DIRECTORS AT THE END OF THE FINANCIAL YEAR

Office	Members	Year of birth	Date of first appointment *	In office from	In office from	
Chairman	Dell'Acqua Alberto	1976	04/04/19	04/04/19	Financial statements 31/12/21	
Chief Executive Officer • ◊	Gallo Paolo	1961	04/08/16	04/04/19	Financial statements 31/12/21	
Director	Dainelli Maurizio	1977	04/08/16	04/04/19	Financial statements 31/12/21	
Director	He Yunpeng	1965	04/08/16	04/04/19	27/1/2022 due to the resignation that took place	
Director	Petrone Paola Annamaria	1967	04/08/16	04/04/19	Financial statements 31/12/21	
Director	Magliano Giandomenico	1955	04/04/19	04/04/19	Financial statements 31/12/21	
Director	Vecchi Veronica	1979	04/04/19	04/04/19	Financial statements 31/12/21	
Director	Stefini Silvia	1964	04/04/19	04/04/19	Financial statements 31/12/21	
Director	Mascetti Andrea	1971	04/04/19	04/04/19	Financial statements 31/12/21	

Indicate the number of meetings held during the year: 15

Indicate the quorum required for the submission of slates by minority shareholders for the election of one or more members (pursuant to Article 147-ter of the CLF): 1%

• This symbol indicates the director responsible for the internal control and risk management system.

◊ This symbol indicates the Lead Independent Director (LID).

* The date of first appointment of each director means the date on which the director was unanimously appointed for the first time to the Board.

** This column indicates whether the slate from which each director was drawn was submitted by shareholders ("Shareholders") or by the Board of Directors ("BoD").

*** This column indicates the slate from which each director was taken ("M": majority slate; "m": minority slate).

**** This column shows the number of directorships or statutory auditor appointments held by the person concerned in "Significant Companies" pursuant to the Corporate Governance Code and the guidelines on limits and prohibitions on the accumulation of appointments adopted by the Company most recently on 21 February 2022.

***** This column shows the attendance of directors at board meetings.

	Slate (presentors) **	Slate (M/m) ***	Exec.	Non-exec.	Indep. New Corporate Governance Code	Indep. CLF	No. of other offices ****	Equity investments (*****)
	Shareholders	M		▼	▼	▼		15/15
	Shareholders	M	▼					15/15
	Shareholders	M		▼				15/15
	Shareholders	M		▼			4	15/15
	Shareholders	M		▼	▼	▼	1	15/15
	Shareholders	M		▼	▼	▼	1	15/15
	Shareholders	M		▼	▼	▼	1	14/15
	Shareholders	m		▼	▼	▼	2	15/15
	Shareholders	m		▼	▼	▼	2	15/15

STRUCTURE OF THE BOARD COMMITTEES AT THE END OF THE FINANCIAL YEAR

BoD	
Office/Qualification	Members
Chairman of the Board Non-executive - independent as per the CLF and Corporate Governance Code	Dell'Acqua Alberto
Chief Executive Officer - non-independent	Gallo Paolo
Non-executive - non-independent Director	Dainelli Maurizio
Non-executive - non-independent Director	He Yunpeng
Non-executive director - independent as per the CLF and Corporate Governance Code	Petrone Paola Annamaria
Non-executive director - independent as per the CLF and Corporate Governance Code	Magliano Giandomenico
Non-executive director - independent as per the CLF and Corporate Governance Code	Vecchi Veronica
Non-executive director - independent as per the CLF and Corporate Governance Code	Stefini Silvia
Non-executive director - independent as per the CLF and Corporate Governance Code	Mascetti Andrea

STRUCTURE OF THE BOARD OF STATUTORY AUDITORS AT THE END OF THE FINANCIAL YEAR

Office	Members	Year of birth	Date of first appointment *
Chairman	Pace Pierluigi	1962	04/04/19
Standing Auditor	Di Marcotullio Maurizio	1967	04/04/19
Standing Auditor	Cederna Marilena	1957	04/04/19
Alternate Auditor	Stefano Fiorini	1969	04/04/19
Alternate Auditor	Manzo Giuseppina	1981	04/04/19

No. of meetings held during the year: 19

Indicate the quorum required for the submission of slates by minority shareholders for the election of one or more members (pursuant to Article 148 of the CLF): 1%

* The date of first appointment of each statutory auditor means the date on which the statutory auditor was unanimously appointed for the first time to Italgas' Board of Statutory Auditors.

** This column indicates the slate from which each auditor was taken ("M": majority slate; "m": minority slate).

*** This column indicates the attendance of auditors at meetings of the Board of Statutory Auditors.

**** This column shows the number of directorships and auditor posts that the party is bound to disclose pursuant to Article 148-bis of the CLF and its implementing provisions contained in the Consob Issuers' Regulations. The full list of offices is published by Consob on its own website pursuant to Article 144-quinquiesdecies of the Issuers' Regulations.

Control and Risks and Related-Party Transactions Committee		Sustainability Committee		Appointments and Compensation Committee	
(*)	(**)	(*)	(**)	(*)	(**)
				11/11	M
		13/13	M		
12/12	P				
12/12	M	13/13	P		
		13/13	M		
12/12	M			11/11	M
				11/11	P

In office from	In office until	Slate (M/m) **	Indep. Code	Attendance at Board meetings ***	No. of other offices ****
04/04/19	Financial statements 31/12/21	m	▼	19/19	0
04/04/19	Financial statements 31/12/21	M	▼	19/19	2
04/04/19	Financial statements 31/12/21	M	▼	19/19	2
04/04/19	Financial statements 31/12/21	M	▼		25
04/04/19	Financial statements 31/12/21	m	▼		2

