

**Italgas S.p.A.**

**ORDINARY SHAREHOLDERS' MEETING OF 20 APRIL 2023**

**SINGLE CALL**

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

**Item 3**

**“3. Report on remuneration policy and compensation paid:**

**3.1 approval of the remuneration policy pursuant to Article 123-ter, subsection 3-bis, of Legislative Decree 58/1998;**

**3.2 resolutions on the “second section” of the report, pursuant to Article 123-ter, subsection 6, of Legislative Decree 58/1998”**

Dear Shareholders,

the Report on remuneration policy and compensation paid of Italgas S.p.A. (the “**Company**”) was prepared based on the indications in Art. 123-ter of Legislative Decree No. 58 of 24 February 1998 (“**CLF**”) – as amended most recently by Legislative Decree 49/2019, implementing Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 (Shareholders’ Right Directive II), amending Directive 2007/36/EC on the exercise of certain rights of shareholders of listed companies with regard to the encouragement of long-term shareholder engagement – and in Article 84-quater of the Consob Regulations adopted by Resolution No. 11971 of 14 May 1999 (“**Issuers’ Regulations**”), and drafted in accordance with Annex 3A, Schedule 7-bis of the Issuers’ Regulations, as last amended.

The Report on remuneration policy and compensation paid is divided into the following sections:

- (i) Section I sets out the Company policy on the remuneration of the members of the Board of Directors, the General Manager and other executives with strategic responsibilities and – without prejudice to the provisions of Article 2402 of the Italian Civil Code – of the members of the Company’s Board of Statutory Auditors, with annual duration, as well as, *inter alia*, the procedures used to adopt, review and implement said policy, including the measures taken to avoid or manage any conflicts of interest.

Moreover, pursuant to art. 84-quater, subsection 2-bis, of the Issuers' Regulations, the remuneration policy described in Section I of the Report:

- indicates how it contributes to the company strategy, the pursuit of the interests in the long term and the Company sustainability, and is conceived taking into account the compensation and the work conditions of the Company employees;
  - defines the various components of remuneration that may be assigned; in the case of the attribution of variable remuneration, it establishes criteria for the assignment of this remuneration that are clear, exhaustive and differentiated, based on financial and non-financial performance objectives, if appropriate, taking into account social corporate responsibility criteria;
  - specifies the elements of the policy to which, where the exceptional circumstances indicated in art. 123-ter, subsection 3-bis, of the CLF occur, derogations may be made temporarily and the procedural conditions on the basis of which, without prejudice to Consob Regulation No. 17221/2010 on related-party transactions, such derogations may be applied;
- (ii) Section II, lists separately the compensation attributed to each Director, Statutory Auditor and general manager, and at aggregate level the compensation attributed to executives with strategic responsibilities:
- provides an adequate, clear and comprehensible representation of each constituent item of the remuneration, including the payments specified in case of loss of office or termination of employment (where existing), pointing out their coherence with the Company policy on remuneration relating to the financial year of reference and how the remuneration contributes to the Company's long-term results;
  - analytically illustrates the compensation paid in the reference year for any reason and in any form by the Company and by subsidiaries or associated companies, indicating any components of the aforementioned compensation which refer to activities carried out in previous years and also highlighting the compensation to be paid in one or more subsequent years for the activity carried out in the reference year, possibly including an estimate of the components not objectively quantifiable in the reference year.

Moreover, Section II contains information on the equity investments held, in the Issuer and in the subsidiaries, by members of the administrative and control bodies, the general manager and other executives with strategic responsibilities, as well as their spouses who are not legally separated and minor children, directly or through subsidiaries, trust companies or third parties, in compliance with the provisions of Article 84-*quater* of the Issuers' Regulation.

It should be noted that Shareholders, pursuant to Article 123-ter, subsection 3-bis, of the CLF, will be required to resolve for or against the remuneration policy outlined in Section I of the Report on the Remuneration Policy and compensation paid, with a binding resolution pursuant to Article 123-ter, subsection 3-ter, of the CLF.

Shareholders will also be required, pursuant to Article 123-ter, subsection 6, of the CLF, to resolve on Section II of the Report on the Remuneration Policy and compensation paid, with a non-binding resolution. The outcome of the vote will be made available to the public in accordance with the law pursuant to Articles 123-ter, subsection 6, and 125-quater, subsection 2, of the CLF.

The folder “Report on the Remuneration Policy and compensation paid” is filed at the Company headquarters and published on the website of the Company [www.italgas.it](http://www.italgas.it) and on the authorised storage mechanism “eMarket STORAGE” at the address [emarketstorage.it](http://emarketstorage.it). This report therefore refers to that document.

Dear Shareholders,

We hereby submit the following resolution proposals for your approval:

**-First resolution-**

*“The Ordinary Shareholders' Meeting of Italgas S.p.A., having examined the report of the Board of Directors drawn up in accordance with Article 123-ter of Legislative Decree 58/1998, as amended, for the purposes established by subsection 3-ter of the aforementioned provision, and therefore with a binding resolution,*

**RESOLVES**

- *to approve the remuneration policy set out in the first section of the "Report on the Remuneration Policy and compensation paid" drawn up in accordance with Article 123-ter of Legislative Decree 58/1998, as amended, and further applicable legislation".*

**-Second resolution-**

*“The Ordinary Shareholders' Meeting of Italgas S.p.A., having examined the report of the Board of Directors drawn up in accordance with Article 123-ter of Legislative Decree 58/1998, as amended, for the purposes established by subsection 6 of the aforementioned provision, and therefore with a non-binding resolution,*

**RESOLVES**

- *to approve the second section of the “Report on the Remuneration Policy and compensation paid” drawn up in accordance with Article 123-ter of Legislative Decree 58/1998, as amended, and further applicable legislation”.*

Milan, 9 March 2023

The Chairwoman of the Board of Directors

Ms Benedetta Navarra