



**RULES FOR THE FUNCTIONING AND ORGANISATION
OF THE BOARD OF DIRECTORS
OF ITALGAS S.P.A.**

Approved by the Board of Directors of Italgas S.p.A. in the meeting of 25 January 2021.

ARTICLE 1

Preliminary Provisions

- 1.1 These regulations (hereinafter also referred to as the “*Regulations*”) govern the organisation and method of operation of the Board of Directors of Italgas S.p.A. (hereinafter “*Italgas*” or the “*Company*”), in accordance with the *pro tempore* legal, regulatory and statutory provisions in force, also taking account of the principles and recommendations of the Corporate Governance Code approved by the Corporate Governance Committee in the *pro tempore* applicable version by which the Company abides (hereinafter also referred to as the “*Code*”). Where not expressly provided for in these Regulations, reference is made to the legal, regulatory and statutory provisions applicable *pro tempore* to the Company.

ARTICLE 2

Composition of the Board of Directors

- 2.1. The Board of Directors (hereinafter also referred to as the “*Board*”) is made up, in accordance with the company Bylaws (hereinafter the “*Bylaws*”), of 9 (nine) members appointed by the Shareholders' Meeting for a duration not exceeding three financial years, whose term of office shall expire on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of their office; they may be re-elected.
- 2.2. Unless this duty has been fulfilled by the Shareholders' Meeting, the Board shall appoint a Chairman from among its members.
- 2.3. The Board members must have the requirements laid down in the Bylaws to fulfil the office, in compliance with the legal and regulatory provisions *pro tempore* in force.
- 2.4. The Board is made up of executive directors, who are assigned operational powers, and non-executive directors, who do not have operational powers, all of whom shall have adequate professionalism and expertise to carry out the duties assigned 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.
- 2.5. The Board shall identify which of its executive members shall hold the office of *Chief Executive Officer*, as the main party responsible for the management (hereinafter, “*CEO*” or “*Chief Executive Officer*”).
- 2.6. In consideration of the Company’s adoption of the Corporate Governance Code, the Board assesses the independence of the non-executive directors also in accordance with the principles and recommendations of the Code and considers the outcomes of the assessment when defining the composition of the board committees.
- 2.7. The assessment of independence of each non-executive director is carried out by the Board immediately after appointment as well as during their mandate on the occurrence of circumstances relevant to their independence and in any case at least yearly. To this end, each non-executive director shall provide all the elements necessary or useful for the assessment of the Board which, on the basis of all the information available, will consider each circumstance that might appear to affect the independence of the director.
- 2.8. In the absence of the other directors, the independent directors shall meet periodically and in any case at least once a year to assess the issues considered of interest with regard to the operation of the Board and the company management.

ARTICLE 3

Role and skills of the Board of Directors

3.1. The Board of Directors guides the Company in pursuit of the objective of long-term value creation to benefit shareholders, taking into account the interests of the other relevant stakeholders for the Company (hereinafter “*Sustainable Success*”).

From this perspective, the Board:

- (i) defines the strategies of the Company and of the Group in line with the pursuit of Sustainable Success and monitors its implementation;
- (ii) defines the corporate governance system most suitable for the performance of the company’s business and the pursuit of its strategies, taking into account the spaces of autonomy offered by the legal system. If applicable, it assesses and promotes appropriate amendments and submits them, when it is its responsibility to do so, to the Shareholders' Meeting;
- (iii) promotes, in the most opportune forms, dialogue with the shareholders and other stakeholders relevant for the Company.

3.2. For the purposes of its correct operation and efficient organisation, the Board of Directors, in compliance with the principles and recommendations of the Corporate Governance Code, performs the following functions:

- a) it sets up the internal committees of the Board (hereinafter the “*Committees*”), with investigation, proposal and consultation functions, appointing their members, establishing their duties and approving their regulations;
- b) it defines - in compliance with the priority objective of ensuring that its members have the appropriate expertise and professionalism - diversity criteria for its composition relating to aspects such as age, gender composition, training and career path, identifying the most suitable instrument for their implementation;
- c) at least once a year, with the methods laid down in the Corporate Governance Code *pro tempore* in force and with the support of the Chairman and of the Appointments and Compensation Committee who oversee its adequacy and transparency, it assesses the size and composition of the Board itself and its Committees, as well as their operation (hereinafter the “*Self-evaluation*”), also considering the role played by the Board in defining the strategies and monitoring the performance of operations and the adequacy of the internal control and risk management system; for the purpose of assessing its composition and that of the Committees, the Board will also take into account elements such as the professional characteristics, experience, including managerial, and gender of its members, as well as their seniority in office; all this in line with the provisions of the “*Diversity of Corporate Bodies Policy*,” *pro tempore* in force, as approved by the Board;
- d) on the recommendation of the Appointments and Compensation Committee, at least at the start of its term of office, it predefines the quantitative and qualitative criteria for assessing the significance of relevant relationships in accordance with the Code for independence purposes;
- e) it expresses its own guidelines in relation to the maximum number of offices in the administrative and control bodies of other listed or large companies that can be considered compatible with the effective performance of the office of director of the Company, taking account of the commitment required by the position;
- f) prior to each renewal:
 - it provides guidance on the best quantitative and qualitative composition of the Board also taking into account the results of the Self-evaluation; the guidance identifies the managerial and professional profiles and the skills deemed necessary, also in light of the sectoral characteristics of the Company, considering the diversity criteria identified

in the “*Diversity of Corporate Bodies Policy*” *pro tempore* in force, as well as any guidance given on the maximum number of offices.

- it requires those submitting a slate containing more than 5 (five) candidates to provide adequate information, in the documentation submitted for the filing of the slate, on whether the slate complies with the guidelines expressed by the Board and to indicate their candidate for the office of chairman of the Board of Directors;
- g) with the support of the Appointments and Compensation Committee, it defines, updates and implements a succession plan for the Chief Executive Officer and any executive directors that at least identifies the procedures to be followed in the event of early termination of the assignment; it also ascertains the existence of adequate procedures for the succession of top management as defined by the Corporate Governance Code;
- h) on the recommendation of the Chairman, made in agreement with the CEO, it adopts and describes in the Corporate Governance and Ownership Structure Report a policy for managing dialogue with all shareholders, also taking into account the engagement policies adopted by institutional investors and asset managers;

3.3. The Board also has the other powers reserved to it: (i) by law and by the Bylaws; (ii) by the structure of the Company powers, identified at the start of the term of office with a specific board resolution; (iii) by the “*Guidelines of the Internal Control and Risk Management System of the Italgas Group.*”

ARTICLE 4

Chairman of the Board of Directors

- 4.1 The Chairman of the Board of Directors (hereinafter the “*Chairman*”) plays a liaison role between the executive and non-executive directors and oversees the efficient functioning of the board meetings.
- 4.2 In fulfilment of the duties assigned to this role by the Bylaws, the Chairman calls and chairs the Board of Directors meetings, sets the agenda and, after having consulted the CEO, coordinates the meetings.
- 4.3 Moreover, in accordance with the Corporate Governance Code, the Chairman ensures, with the assistance of the Secretary of the Board of Directors:
- a) 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;
 - b) that the activities of board committees with investigation, proposal and consultation functions are coordinated with the activities of the Board of Directors;
 - c) in agreement with the chief executive officer, that the Company’s senior executives and those of the companies belonging to its group (hereinafter the “*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;
 - d) 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;

- e) the adequacy and transparency of the Board of Directors Self-Evaluation Process, with the support of the Appointments and Compensation Committee.

4.4 The Chairman also makes the following proposals to the Board, in compliance with the principles and recommendations of the 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, and ensuring that the Board is in all cases informed, by the first relevant meeting, on the development and significant content of the dialogue with all shareholders;
 - a procedure for the in-house management and disclosure of documents and information regarding the Company, with specific reference to inside information.

4.5 The Chairman also has the additional powers reserved for this figure: (i) by law and by the Bylaws; (ii) by the Board, within the structure of the Company powers, with a specific board resolution, and (iii) by the “*Guidelines of the Internal Control and Risk Management System of the Italgas Group.*”

ARTICLE 5

Secretary of the Board of Directors

5.1 The Secretary of the Board of Directors (hereinafter the “*Board 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.

5.2 The Board Secretary is identified among those in possession of adequate requirements of professionalism, experience, independence of judgement and who are not in conflict of interest situations. In particular, the Board Secretary 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.

5.3 The Board Secretary supports the activities of the Chairman and assists the latter: (i) in performing the functions indicated in art. 4.3 of these 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.

- 5.4 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.
- 5.5 The Board, in agreement with the Chairman, may dismiss the Board Secretary.

ARTICLE 6

Operation of the Board of Directors

Procedure for calling Board Meetings

- 6.1 The Board of Directors is called as indicated in article 15 of the Company Bylaws¹.
- 6.2 Normally the Board meets on the dates indicated in the annual calendar of meetings approved by the Board, and in the registered offices.
- 6.3 The notice of call, signed by the Chairman and drawn up in agreement with the Chief Executive Officer, indicates: the location of the meeting; the places where it is possible to participate in the meeting by videoconference; the date and time of the meeting; the agenda. The indication of the location of the meeting and the places where it is possible to participate in the meeting by video conference may be omitted if the meeting is held exclusively by conference call or video conference.

Notices convening meetings are sent by the Board Secretary to Directors and Standing Auditors by uploading them to the "Secure Area" reserved to the Board on the digital system used by the Company. If it is impossible to use this digital system, the call notice is sent, as an exceptional case, by electronic mail or by another means of telecommunication to the address indicated by each addressee to the Board Secretary, normally at least 5 (five) days before the day of the meeting and, in the case of need and urgency, at least 12 (twelve) hours before the meeting.

Conduct of board meetings

- 6.4 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.
- 6.5 For board meetings to be valid more than half of the members in office must be present and the resolutions of the Board shall be passed by the absolute majority of those in attendance.

¹Article 15 of the Bylaws states:

"15.1 The Board of Directors is convened by the Chairman – or, in his absence or impediment, by the Chief Executive Officer, or, finally, in his absence or impediment, by the eldest board member—whenever he deems suitable or when at least two Board members request a meeting of the Board in writing. The request must indicate the reasons for convening the Board.

15.2. The Board of Directors shall meet in the location indicated in the call notice. The notice is usually sent at least five days before the meeting. The Board of Directors' meetings may be held via conference call or video conference, on the condition that all participants are identifiable and can follow the discussion, examine, receive and transmit documents and participate in real time in the discussions. The meeting shall be considered as having taken place where the Chairman of the meeting and the Secretary are located. The Board of Directors shall define additional terms and procedures for convening of its meetings.

- 6.6 The members of the Board must seek to assure their participation in the meeting for its entire duration. It is advisable to avoid using mobile phones during meetings of the Board.
- 6.7 Senior executives and other subjects who are not members of the Board who make presentations must leave the room at the start of the Board's discussions, unless otherwise specified by the Chairman.

Minute taking

- 6.8 Apart from those cases in which by law the minutes must be drafted by a notary, the Board Secretary shall be responsible for minuting the meetings, and he or she may be assisted for this purpose by personnel from the relevant legal, corporate and compliance department.
- 6.9 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.
- 6.10 The draft minutes drawn up by the Board Secretary are submitted to the Chairman and the Chief Executive Officer.
- 6.11 Before approval, the draft minutes are submitted to the members of the Board of Directors and the members of the Board of Statutory Auditors, who may comment on them, addressing them to the Secretary of the Board.
- 6.12 The Board approves the final text of the minutes, normally at the next meeting.

ARTICLE 7

Pre-board meeting information

- 7.1 Documentation regarding the items on the agenda shall be made available to the Directors and Standing Auditors by the Board Secretary, by uploading it to the "Secure Area" reserved to the Board on the digital system used by the Company, as well as in other agreed forms that guarantee the confidentiality of the information included. 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.
- 7.2 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 inside 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.

- 7.3 Communications and notices from the delegated bodies on the activity carried out follow the rule laid down for other documentation. If complex elements of information are included, the Chairman shall decide whether or not they should constitute a specific item on the agenda.
- 7.4 The Director designated by State Grid Europe Limited (hereinafter also "SGEL")² (if and

² Reference is made in this regard to the provisions of the Shareholders' Agreement signed by Cassa Depositi e Prestiti, SGEL and State Grid International Development Limited on 27 November 2014 and subsequent amendments.

within the limits in which said Director is not independent pursuant to art. 148 of Legislative Decree no. 58/1998) will not, within the limits permitted by law, be supplied with the Company documentation and/or information regarding topics on which he or she has a conflict of interest on behalf of SGEL and/or any subject affiliated to it, in relation to commercial opportunities which the Company on the one hand, and SGEL and/or the subject affiliated to it on the other, have an interest and competition may exist³. Furthermore, said Director may not participate in the debates of the Board of Directors concerning the aforementioned topics.

ARTICLE 8

Delegated Bodies

- 8.1 The Board delegates its duties to one or more of its members, determining the limits of the delegation in accordance with Art. 2381 of the Italian Civil Code, appointing the Chief Executive Officer.
- 8.2 The Chairman and the Chief Executive Officer represent the Company before any judicial or administrative authority and with regard to third parties, and they have signing authority.
- 8.3 The Chairman and the Chief Executive Officer report at least once a quarter to the Board itself and to the Board of Statutory Auditors on how they have exercised their powers, on the transactions with the greatest impact on the financial statements carried out by the Company and its subsidiaries, and on transactions with related parties. Information shall be made available promptly on transactions in which the directors have a personal interest or a third party interest or if they are influenced by any party who exercises direction and coordination activities.

ARTICLE 9

The internal committees of the Board of Directors

- 9.1 The Board establishes its own internal Committees, also in compliance with the principles and recommendations of the Corporate Governance Code, with investigation, proposal and consultation functions, to which it assigns the task of supporting the Board in the performance of its role. In this regard, the Board has established the "*Control, Risk and Related Party Transactions Committee*" (hereinafter the "**Control and Risk Committee**"), the "*Appointments and Compensation Committee*" and the "*Sustainability Committee*" (hereinafter the "**Committees**" or, individually, the "**Committee**").
- 9.2 The Board appoints and dismisses the members of the Committee, identifying the chairman among them, and also establishes additional compensation for the relative members on the recommendation or opinion of the Appointments and Compensation Committee.
- 9.3 In identifying the composition of the Committees, the Board takes into account the independence requirements laid down by law and the Corporate Governance Code and the professionalism of the Directors, so that each Committee is made up of members with adequate expertise and professionalism fit for the tasks assigned to the Committee they are members of.
- 9.4 The tasks, duties and powers of each Committee are determined by specific regulations adopted by resolution of the Board, which also govern the composition and appointment,

³ If the eventuality referred to above should exist, the Director designated by SGEL will promptly inform the Secretary of the Board of Directors in writing.

methods of operation and means of each Committee.

ARTICLE 10

Duties of the Board Directors

- 10.1 The members of the Board of Directors are required to perform their duties in compliance with the principles of professionalism, transparency and independence of judgement, abstaining from any behaviour not compliant with the same and overseeing the company's interests and pursuing Sustainable Success.
- 10.2 In addition to compliance with the "*Procedure for the public disclosure of inside information*" adopted by the Company and the regulations on the matter, the members of the Board of Directors are required to keep confidential any data and information acquired during the fulfilment of their office for purposes other than the performance of their duties.
- 10.3 A member of the Board of Directors who has an interest, either directly or on behalf of third parties, in a certain transaction of the Company, shall promptly and exhaustively inform the other Directors and the Board of Statutory Auditors about the nature, terms, origin and extent of his/her interest and abstain from the relative resolution. In the case of the Chief Executive Officer, he/she must abstain from carrying out the operation, appointing the body as a whole to do so.

ARTICLE 11

Final Provisions

- 11.1 These Regulations may only be amended by resolution of the Board of Directors on the recommendation of the Chairman made in agreement with the Chief Executive Officer, with the exception of any purely formal amendments made necessary for compliance with legal or statutory provisions, resolutions of the Board or in relation to organisational changes in the Company, which can be made by the Chairman or by the Chief Executive Officer, under the responsibility of the Secretary, informing the Board of them at the first available meeting.