

Report of the Board of Directors on the proposals  
relating to items on the agenda of the Shareholders' meeting

**SNAM S.p.A.**

**ORDINARY SHAREHOLDERS' MEETING OF 27 April 2022**

**ON SINGLE CALL**

**Report of the Board of Directors on the proposals relating to items on the agenda of the  
Shareholders' Meeting**

**Item 7**

**Appointment of the members of the Board of Directors**

Dear Shareholders,

with the Shareholders' Meeting for approving the financial statements as at 31 December 2021, the mandate of the Board of Directors appointed by the Shareholders' Meeting of 02 April 2019 will expire. Pursuant to art. 13.3 of the By-laws, the Board of Directors is appointed by the Shareholders' Meeting based on slates in which the candidates are listed by progressive number.

The lists presented by the Shareholders must be filed by 2 April 2022. As far as possible, all Shareholders are invited to file the lists earlier than the final deadline.

The lists may be sent by mail or delivered to the following address:

*Snam S.p.A.*

*Corporate Affairs (April 2022 Shareholders' Meeting Lists for appointment of Board of Directors and Board of Statutory Auditors)*

*Piazza Santa Barbara, 7*

*20097 San Donato Milanese (MI) – Italy*

or by certified e-mail to [snam.assemblea@pec.snam.it](mailto:snam.assemblea@pec.snam.it). Under the Bylaws, the appointment must take place in compliance with the regulations on gender balance as per art. 147-ter, subsection 1-ter, of Legislative Decree no. 58 of 24 February 1998 (“CLF”), as amended by

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Law no. 160 of 27 December 2019, in order to ensure, for a further six consecutive terms of office, gender balance in the composition of the administrative bodies of companies with shares listed on regulated markets.

In application of that provision, incorporated into art. 13.3 of the Bylaws (as amended by the Extraordinary Shareholders' Meeting of 2 February 2021), in lists that present three or more candidates, at least two fifths of the candidates must belong to the least represented gender, with mandatory rounding up in the event of a decimal figure, to the next whole number, if there are five or more candidates.

It should be noted that, if the Board of Directors' proposal to establish the number of Directors to be appointed as nine is approved, at least four members must belong to the least represented gender; therefore, lists for the appointment of the majority of the Board's members, within the meaning of art. 13.5, letter b), of the Bylaws, must include at least three candidates of the least represented gender in the list.

Each Shareholder may present or may participate in the presentation of just one list, and may vote for just one list. Each candidate must only appear on one list, under penalty of ineligibility. Only Shareholders who, alone or jointly with others, hold at least 0.5% of the shares with voting entitlement in an Ordinary Shareholders' Meeting may present lists (see Consob Management Decision no. 60 of 28 January 2022).

Pursuant to Article 13, paragraph 3, of the Bylaws, the lists must be accompanied by the following, under penalty of inadmissibility:

- statements with which each candidate accepts his own candidacy;
- exhaustive information about their personal and professional characteristics, including the *curriculum vitae*;

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- certification as to the absence of grounds of ineligibility - including the non-existence of interdictions from the office of director adopted in a Member State of the European Union, pursuant to art. 2383 of the Italian Civil Code - and incompatibility, also with reference to art. 2 subsection 2 , letter c) of Prime Ministerial Decree of 25 May 2012, as amended by Prime Ministerial Decree of 15 November 2019, and fulfilment of the requirements of integrity, as well as statements from the candidates as to whether or not they fulfil the independence requirements provided for under the combined provisions of articles 147-*ter*, subsection 4, and 148, subsection 3, of the CLF;
- an indication of the identity of the shareholders presenting the lists, including the overall equity percentage held by the same in the capital of Company, it being understood that the disclosure on the ownership of the aforementioned equity holdings, issued by an authorised intermediary, may also be sent to the Company after the lists have been filed, as indicated below.

As provided for in Communication No. DEM/9017893 of 26 February 2009, Consob recommends that Shareholders who do not hold, including jointly, a controlling share or relative majority, in conjunction with the list, file a statement regarding any possible links, including indirect links, as referred to in Article 147-*ter*, paragraph 3, of the TUF and Article 144-*quinquies* of Consob Resolution No. 11971 of 14 May 1999 and subsequent modifications (“Issuer Regulation”), with shareholders who, even jointly, hold a controlling share or relative majority.

Besides, in such statement:

- it must be specified such links, if existing and if significant, with shareholders who hold, also jointly, a controlling share or relative majority, wherever possible, with the reasons why these relations are not deemed to constitute the aforementioned links,

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or

- it must be specified the absence of the above links.

The lists filed, accompanied by the information referred to above, pursuant to Article 13.3 of the Bylaws, will be made available to the public at the Company's registered office, on the Company's website [www.snam.it/en](http://www.snam.it/en) ("*Governance and Conduct*" - "*Shareholders' Meeting*" section) and at the authorised storage system "*eMarket STORAGE*" ([www.emarketstorage.com](http://www.emarketstorage.com)), at least twenty-one days before the date set for the Shareholders' Meeting on single call, that is by 6 April 2022.

Ownership of the minimum percentage necessary for the submission of lists is determined in consideration of the number of shares registered in the Shareholder's favour on the date on which the lists are filed at the Company. The pertinent certification may be presented even after the filing of the lists, provided by 06 April 2022.

When the number of board members is less than seven, at least one director – or at least three directors if there are more than seven board members – must meet the independence requirements established for statutory auditors of listed companies provided for in Articles 148, paragraph 3, of TUF as referred to in Article 147-*ter*, paragraph 4, of the TUF.

Candidates satisfying the aforesaid independence requirements must be specifically identified on the lists.

All candidates must also fulfil the honourableness requirements provided for statutory auditors of listed companies by Article 148, paragraph 4, of the TUF, as referred for directors to in Article 147-*quinquies*, paragraph 1, of the TUF.

Shareholders are also reminded to consider the independence requirements laid down for directors in Recommendation 7 of the Corporate Governance Code of listed companies approved by the Corporate Governance Committee in January 2020 (the "*New Corporate*

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*Governance Code*”). In this regard, note that the Board of Directors, at the proposal of the Appointments Committee, at the meeting of 14 December 2021 adopted quantitative and qualitative criteria to assess the significance of any commercial, financial or professional relations and any additional remuneration in accordance with the aforementioned Recommendation 7, letters c) and d).

In particular, in order to qualify as independent pursuant to Recommendation no. 7 letters c) and d), **during the term of office**, the Chairman of the Board of Directors and the other Directors:

- enter into any commercial, financial or professional relationship with Snam or any company it controls, or with its respective executive directors or top management, or with any entity that (including jointly with others through a shareholders' agreement) controls Snam or with its respective executive directors or top management;
- receive any additional remuneration from Snam or its parent company or a company in the Snam Group.

As regards the independence assessment referred to the **three financial years prior** to the one in which the office was accepted, the Chairman of the Board of Directors and the other Directors, in order to qualify as independent under Recommendation no. 7 letters c) and d) must not have had commercial, financial or professional relationships with Snam or its subsidiaries, or with the executive directors or top management thereof, or with a subject that, even together with others through a shareholders' agreement, controls Snam or with the relative executive directors or top management thereof, or have received any additional remuneration from Snam or its subsidiaries or a company of the Snam Group which, in at least one of the three financial years prior to acceptance of the office, individually or cumulatively, for each financial year, exceeds 100% of the average remuneration received by

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non-executive directors or, as the case may be, the Chairman of the Board of Directors for the office and for any participation in the committees recommended by the New Corporate Governance Code or provided for by current legislation in the last year of the previous term of office. The benchmark is respectively 310,000 euros for the Chairman of the Board of Directors and 110,000 euros for the other Directors (the “*Benchmark*”).

With regard to close family members<sup>1</sup>, any commercial, financial or professional relationships held by the same or any additional remuneration received by the same that, during the term of office or in the previous three financial years, individually or cumulatively for each financial year, exceeded the Benchmark is to be considered significant.

Moreover, the Board of Directors, in keeping with the provisions of Recommendation no. 23 of the New Corporate Governance Code, has provided its own guidance on the future size and composition of the Board, considering (a) the results of the assessment of the functioning of the Board and of its committees and of their size and composition, and (b) elements such as the professional characteristics, experience, including managerial experience, and gender of the members thereof, in addition to their length of post. Note that these guidelines, to which reference is made, were approved by the Board on 17 February 2022 and made available to the public on the same date. Therefore, those presenting a list that indicates a number of candidates exceeding half of the members to be elected are asked to provide suitable information, in the documents submitted to file the list, on whether the list complies with the guidelines set forth by the Board of Directors and to indicate their candidate for the office of Chairman of the Board of Directors.

Directors are to be elected as follows, pursuant to Article 13, paragraph 5, of the Bylaws:

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<sup>1</sup> ‘Close family members’ refers, for example, to parents, children, spouses who are not legally separated, and cohabitants.

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- a) seven tenths of the directors to be elected shall be selected from the slate that obtains the majority of votes expressed by the shareholders (*the "Majority Slate"*), in the order in which they are listed on the slate, rounding down in the case of a decimal number;
- b) the remaining directors shall be selected from the other slates (*the "Minority Slates"*) that are in no way – directly or indirectly – connected to shareholders who have submitted or voted for the slate that received the majority of votes; to this end, votes obtained by the slates shall subsequently be divided by one or two or three, depending on the progressive number of directors to be elected. The quotients thus obtained shall be assigned progressively to candidates from each of these lists, according to the order shown in them. The quotients thus assigned to candidates from the different lists shall be arranged in a single decreasing gradation. Those obtaining the highest quotients shall be elected. If several candidates obtain the same quotient, the candidate from the list which has not yet elected any director or that has elected the smallest number of directors shall be elected. If none of these lists has yet elected a director or if all have elected the same number of directors, the candidate from the list obtaining the greatest number of votes shall be elected. If the voting on lists is tied and the quotient is also tied, a new vote by the entire Shareholders' Meeting shall be held, and the candidate winning a simple majority of votes shall be elected;
- b-bis) in the event that the Majority Slate does not contain a sufficient number of candidates to reach the number of directors to be elected pursuant to letter a) above, all candidates listed in said slate shall be appointed, based on their progressive order in said slate; in turn, after appointing the other directors from the Minority Slates, pursuant to letter b) above, for the number of positions established for these minority slates, which is three tenths of the total, the remaining directors shall be appointed, for the positions not covered by the Majority

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Slate, from the minority list that obtains the greatest number of votes among the Minority Slates (the “*First Minority Slate*”) in relation to the capacity of said slate. In the event of insufficient capacity of said slate, the remaining directors shall be appointed, with the same procedures, from the following slate (“*Second Minority Slate*”) or any subsequent slates, based on the number of votes and capacity of the slates themselves. Lastly, if the total number of candidates on the slates presented – in both the Majority Slate and Minority Slates – is lower than the number of the directors to be elected, the remaining directors shall be elected by the shareholders’ meeting with the resolution approved in accordance with letter d) below;

- c) if, after following the procedure described above, the minimum number of independent directors required by the Bylaws is not elected, the quotient of votes to be attributed to each candidate is taken from the lists, dividing the number of votes for each list by the order number of each of these candidates; non-independent candidates with the lowest quotients among the candidates taken from all the lists shall be replaced, starting from the very lowest, by the independent candidates taken from the same list as the candidate being replaced (following the order in which they are listed); otherwise, they shall be replaced by people who meet the independence criteria and appointed in accordance with the procedure mentioned in letter d). If candidates taken from different lists have obtained the same quotient, the candidate from the list from which the highest number of directors has been taken shall be replaced, or, if these numbers of directors are the same, the candidate taken from the list 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;



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*c-bis*) if the application of the procedure described under letters a), 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). In cases in which candidates from different slates have obtained the same minimum quotient, the candidate to be replaced shall be the candidate of the slate from which the greatest number of directors is selected, or, subordinately, the candidate from the slate that has received the least number of votes, or, in case of equal number of votes, the candidate that has obtained less votes by the Shareholders' Meeting in a specific voting round;

d) for the appointment of directors not appointed for any reason by the above procedure, the Shareholders' Meeting shall resolve by statutory majority so as to ensure that the composition of the Board of Directors is consistent both with the law and with the Bylaws.

If the proposal made by the Board of Directors referred to in item 5 on the agenda is accepted, the Shareholders' Meeting will be called upon to appoint nine directors based on the lists submitted by those entitled to do so.

Dear Shareholders,

In consideration of the foregoing, you are invited to vote for one of the lists presented and published pursuant to the provisions of the Bylaws.

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The Chairman of the Board of Directors

Mr Nicola Bedin