



Italgas S.p.A.

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF 20 APRIL 2021

SINGLE CALL

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

Item 3 of the Ordinary session

“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 Policy on Remuneration and compensation paid of Italgas S.p.A. (hereinafter the “**Company**”) was drawn up on the basis of Article 123-ter of Legislative Decree No. 58 of 24 February 1998, as amended (the “**CLF**”) and Article 84-*quater* of the Consob Regulation adopted under Resolution No. 11971 of 14 May 1999 as amended (“**Issuers’ Regulations**”).

The Policy on Remuneration and compensation paid, more specifically, considered the amendments introduced by Legislative Decree no. 49 of 10 May 2019 which implemented Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 (so-called Shareholders’ Right Directive II), which amends Directive 2007/36/EC on the exercising of some rights of the shareholders of listed companies with regard to encouraging the long-term commitment of shareholders (the “**Directive**”) and is drafted in compliance with Annex 3A, Scheme 7-bis of the Issuers’ Regulation, as last amended to implement the Directive.

The Policy on Remuneration and compensation paid is divided into the following sections:

- (i) Section I – in compliance with articles 123-ter of the CLF and 9-bis of the Directive – sets out the Company’s policy on the remuneration of the members of the administrative body, general



managers, other executives with strategic responsibilities and, without prejudice to the provisions of art. 2402 of the Italian Civil Code, the members of the Board of Statutory Auditors, as well as - amongst others - the procedures used to adopt, review and implement this policy;

- (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 financial year for any reason and in any form by the Company and by subsidiaries or associated companies.

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, general managers 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 Compensation Policy and on 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 Compensation Policy and on 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 "Policy on Remuneration and compensation paid" is filed at the Company headquarters, and published on the website of the Company www.italgas.it and on the authorised storage mechanism "eMarket STORAGE" at the address emarketstorage.com. 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 and subsequent



amendments, for the purposes established by subsection 3-ter of the aforementioned standard, and therefore with a binding resolution,

RESOLVED

- *to approve the remuneration policy set out in the first section of the "Policy on Remuneration 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 and subsequent amendments, for the purposes established by subsection 6 of the aforementioned standard, and therefore with a non binding resolution,

RESOLVED

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

Milan, 10 March 2021

The Chairman of the Board of Directors

Mr Alberto Dell'Acqua