



Snam S.p.A.

**INFORMATION NOTICE ON A TRANSACTION OF GREATER IMPORTANCE
WITH A RELATED PARTY**

drawn up in accordance with Article 5 and in compliance with the Scheme in Annex 4 of the Regulations approved by the Consob with resolution no. 17221 of 12 March 2010, as subsequently amended and supplemented, and in accordance with Article 4 of the “*Guideline on transactions with interests of the Directors and Statutory Auditors and related-party transactions*” adopted by Snam S.p.A.

Information Notice made available to the public at the Snam S.p.A.’s company office in San Donato Milanese (MI), Piazza Santa Barbara 7, on the Snam S.p.A. website (www.snam.it), as well as on the authorised storage mechanism “*eMarket storage*”, at www.emarketstorage.com.

3 December 2021

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DEFINITIONS

Below is a list of the main terms used in this document and their corresponding definitions. These terms and definitions, unless otherwise specified, have the meaning indicated below. Other terms used in this document have the meaning attributed to them and indicated in the text.

Acquisition	The purchase by Snam of a total shareholding in NewCo, equal to 49.9% of the share capital (or, if certain conditions set out in the Sale and Purchase Agreement are met, 50% of the share capital), under the terms and conditions set out in the Sale and Purchase Agreement.
CDP	Cassa Depositi e Prestiti S.p.A., a company established under Italian law with registered offices at via Goito 4, 00185, Rome, Tax Code, VAT and Rome Business Register number 07756511007.
CDP Reti	CDP Reti S.p.A., a company established under Italian law with registered offices at via Goito 4, 00185, Rome, Tax Code, VAT and Rome Business Register number 12084871008.
Italian Civil Code	Royal Decree No. 262 of 16 March 1942, as subsequently amended and supplemented.
New Corporate Governance Code	The New Corporate Governance Code of the listed companies, adopted by the Corporate Governance Committee in January 2020 and promoted by Borsa Italiana, ABI, ANIA, Assogestioni, Assonime and Confindustria available at www.borsaitaliana.it , in the section “About us – Rules – Corporate Governance”, to which the Company adheres.
RPT Committee	Snam’s Control, Risk and Related-Party Transactions Committee, made up exclusively of non-executive, unrelated and independent directors, with expertise in related-party transactions pursuant to the Guideline.
Conferral	The contribution by Eni to NewCo of shares held by the same, directly and indirectly, in Investee Companies.
Consob	The <i>Commissione Nazionale per le Società e la Borsa</i> with registered office in Rome, Via G.B. Martini, 3.

Sale and Purchase Agreement	The agreement of the sale and purchase of shares undersigned by Snam and Eni on 27 November 2021 which governs the terms and conditions of the Transaction.
Date of Information Notice	The Information Notice publication date (<i>i.e.</i> 03 December 2021).
Date of Execution	The date of execution of the Sale and Purchase Agreement, on which the activities leading to the execution of the Sale and Purchase Agreement itself and completion of the Acquisition should be carried out.
Information Notice	This information notice, prepared in accordance with Article 5 and the Scheme pursuant to Annex 4 of the RPT Regulations.
Eni	Eni S.p.A., a company established under Italian law, listed on Euronext Milan, with registered offices in Rome (RM), Via Enrico Mattei 1, 00144, Tax Code, VAT Rome Business Register number 00484960588.
Eni Group	Collectively, Eni and its direct or indirect subsidiaries.
Snam Group	Collectively, Snam and its direct or indirect subsidiaries.
Guideline	The “ <i>Guideline on transactions with interests of the Directors and Statutory Auditors and related-party transactions</i> ”, adopted by the Snam Board of Directors on 30 November 2010 and last amended on 15 June 2021, pursuant to Article 2391- <i>bis</i> of the Italian Civil Code and RPT Regulations.
Mariconsult	Mariconsult S.p.A., with registered offices in Milan, Via Gaspare Gozzi 1/A, Milan, Monza-Brianza, Lodi Business Register number 02878260153.
NewCo	A newly created company which, at the Date of Execution, will be the holder, directly and indirectly, of the shares currently held by Eni in the companies which carry out various activities relating to the management of the Gas pipeline and the marketing of transmission rights.

Operation	The transaction whose terms and conditions are governed by the Sale and Purchase Agreement, which covers: (i) the purchase by Eni of the shares directly held, at the Date of Information Notice, by other subsidiaries of Eni in the Investee Companies; (ii) the Contribution; and (iii) the Acquisition. The activities pursuant to the previous points (i) and (ii) should be completed before the Date of Execution.
Related Parties	The subjects defined as such by the international accounting principles adopted according to the procedure pursuant to Article 6 of Regulation (EC) no. 1606/2002 and in force at the Date of Information Notice, as referred to in Annex 3 to the Guideline.
Premium Multiservices	Premium Multiservices S.A., with registered offices in Tunis, Molka Bloc A building, Apartment A 11 les Jardins du Lac 1053.
Samco	Samco Sagl, with registered offices in Lugano (Switzerland), Via Nassa 27, Tax Code, VAT and Canton Ticino Business Register number CHE-107.886.340.
Snam or Company	Snam S.p.A., a company established under Italian law, listed on Euronext Milan, with registered offices in San Donato Milanese (MI), Piazza Santa Barbara 7, 20097, Tax Code, VAT and Milan, Monza-Brianza, Lodi Business Register number 13271390158.
Investee Companies	Collectively TTPC, Scogat, Sergaz, Premium Multiservices S.A., TMPC, Transmed, Mariconsult and Samco.
Issuers' Regulations	The regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented.
RPT Regulations	The regulation adopted by Consob with resolution no. 17221 of 12 March 2010, as subsequently amended and supplemented.
Scogat	Scogat S.A., with registered offices in Tunis, Centre Urbain Nord, Bld 7 Novembre, 1082.

Sergaz	Scogat S.A., with registered offices in Tunisia, Centre Urbain Nord, Bld 7 Novembre, 1082, Tunisia Business Register number B14231998.
TMPC	Transmediterranean Pipeline Company Ltd., with registered offices in 28 Esplanade, St. Hélier, Jersey JE23QA, Jersey Business Register number 10158.
Transmed	Transmed S.p.A., with registered offices in Milan, Via Gaspare Gozzi 1/A, VAT and Milan, Monza-Brianza, Lodi Business Register number 04994750968.
TTPC	Trans Tunisian Pipeline Company S.p.A., with registered offices in San Donato Milanese, Piazza Ezio Vannoni 1, 20097, Tax Code, VAT and Milan, Monza-Brianza, Lodi Business Register number 03683100964.
CLF	Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented.

INTRODUCTION

This Information Notice was prepared by Snam pursuant to Article 5 and in accordance with the Scheme pursuant to Annex 4 of the RPT Regulations, and pursuant to Article 4 of the Guideline, with reference to Eni and Snam's undersigning the Sale and Purchase Agreement regulating the terms and conditions of the purchase by Snam, and the sale by Eni, of a representative shareholding of 49.9% of the NewCo share capital. NewCo is the company which, as at the Date of Execution, will be the holder, directly and indirectly, of the shares currently held by Eni in the companies which carry out various activities relating to the management of the natural gas transportation infrastructure and marketing of transmission rights from Oued es Saf-Saf (located at the border between Tunisia and Algeria) until the entry area on the Italian gas pipeline network at Mazara del Vallo in Sicily (the "**Gas pipeline**").

The Acquisition qualifies as a transaction with a Related Party pursuant to Article 3 of the RPT Regulations and Annex 3 of the Guideline, as CDP holds (i) directly, a representative shareholding of 25.96% of the share capital and Eni voting rights; and (ii) indirectly (through CDP Reti of which it holds 59.1% of the share capital), a representative shareholding of 31.35% of the share capital and Snam voting rights. For more information in this regard, please see Subsection 2.2 of the Information Notice.

The Acquisition also qualifies as a transaction of "greater importance" with a Related Party pursuant to Article 8(1), of the RPT Regulations and Article 2 of the Guideline, as the equivalent-value relevance ratio of the Transaction pursuant to the provisions of Annex 3 to the RPT Regulations and Annex 1 of the Guideline is greater than 2.5%, which is the relevance threshold adopted voluntarily by Snam pursuant to the Guideline. For more information in this regard, please see Subsection 2.5 of the Information Notice.

The undersigning of the Sale and Purchase Agreement was approved with the resolution of the Snam Board of Directors on 8 November 2021, prior to the motivated favourable opinion expressed by the RPT Committee on the same date. The Sale and Purchase Agreement was signed on 27 November 2021.

The Information Notice was made available to the public, in accordance with the terms provided for by Article 5, paragraph 3, of the RPT Regulations, at Snam's company office in Milan, Piazza Santa Barbara 7, and on the Company's website (www.snam.it), and on the authorised storage mechanism "*eMarket storage*", at www.emarketstorage.com on 3 December 2021, and made available to Consob at the same time.

The execution of the Sale and Purchase Agreement is subject to fulfilment (or the waiting, in accordance with the terms and conditions pursuant to the Sale and Purchase Agreement) of specific conditions precedent identified in the Sale and Purchase Agreement, as described in Section 2.1 of the Information Notice.

1. WARNINGS

1.1 Risks related to the potential conflict of interest deriving from the Acquisition

The Acquisition constitutes a Related-Party transaction, pursuant to RPT Regulations and the Guideline, as CDP holds: (i) directly, a representative shareholding of 25.96% of the share capital and Eni voting rights; and (ii) indirectly (through CDP Reti, of which it holds 59.1% of the share capital), a representative shareholding of 31.35% of the share capital and Snam voting rights.

For completeness, it is reported that five of the nine directors which make up the Snam Board of Directors - and, particularly, Marco Alverà (Chief Executive Officer), Yunpeng He (Non-Executive Director), Francesca Pace (Independent Director pursuant to the CLF and the New Corporate Governance Code), Antonio Marano (Independent Director pursuant to the CLF and the New Corporate Governance Code) and Alessandro Tonetti (Non-Executive Director) - were appointed at the Snam Shareholders' Meeting of 2 April 2019 from the slates of candidates presented by CDP Reti. In addition, the Chairman of the Board of Directors, Nicola Bedin, was appointed at the Snam Shareholder's meeting of 18 June 2020 at the request of the CDP Reti.

In Snam's opinion, there are no particular risks related to potential conflicts of interest that differ from those which are inherent to any related-party transaction, or similar transactions.

The Acquisition qualifies as a transaction of "greater importance" with a Related Party pursuant to Article 8, paragraph 1, of the RPT Regulations and Article 2 of the Guideline, as the equivalent-value ratio of the Transaction is greater than 2.5%

Consequently, Snam has activated controls and measures provided for by Article 8 of the RPT Regulations and Article 4.2 of the Guideline relative to the transactions of "greater importance". In particular, as described in more detail in Subsection 2.8.1 below, in compliance with Article 8 of the RPT Regulations and Article 4.2 of the Guideline:

- (i) the RPT Committee, made up exclusively of independent non-executive directors pursuant to the CLF and the New Corporate Governance Code, able to express their motivated, binding opinion on the Acquisition, was promptly informed of the Transaction and was also involved in the negotiations and investigations phases of the Transaction by receiving a comprehensive and prompt flow of information;
- (ii) the RPT Committee has requested and received information from subjects in charge of the negotiations relating to the Transaction;
- (iii) following an indication from the RPT Committee, independent experts were also appointed to support the RPT Committee in issuing their opinion on the Acquisition. In particular: (a) Intesa Sanpaolo S.p.A. ("**Intesa Sanpaolo**") was appointed to support the RPT Committee's assessments of the financial adequacy of the Acquisition consideration; and (b) DFC Economics - Frontier

Economics (“**DFC Frontier**”) was appointed to support the RPT Committee’s assessments of the commercial scenarios and assumptions relating to Snam’s natural gas and hydrogen flow estimates for the Gas pipeline; and

- (iv) on 08 November 2021 November 2021, the RPT Committee issued its motivated opinion in favour of Snam’s interest in proceeding with the Acquisition, as well as on the substantial convenience and correctness of the relative conditions.

The RPT Committee opinion is annexed to this Information Notice as Annex 1. The fairness opinion issued by Intesa Sanpaolo and the opinion issued by DFC Frontier on 28 October 2021 are attached hereto as Annex 2 and Annex 3 respectively.

For completeness, note that Snam received support from UniCredit S.p.A. (“**UniCredit**”), as its financial advisor, which on 8 November 2021 released its own fairness opinion annexed to this Information Notice as Annex 4.

2. INFORMATION ON THE TRANSACTION

2.1 Features, formalities, terms and conditions of the transaction

The transaction has as its subject the Acquisition by Snam of a shareholding equal to 49.9% (increasable to 50% under certain conditions set out in the Sale and Purchase Agreement) of the share capital held by Eni in NewCo, a company to which the shareholdings – currently directly or indirectly held by Eni in the following companies that carry out various activities related to the management and marketing of the Gas pipeline transmission rights – will be transferred. In particular, pursuant to the Sale and Purchase Agreement, the following shareholdings will be assigned to NewCo:

- (i) the entire share capital of TTPC, a concessionary company holding the exclusive selling rights of the natural gas transmission capacity in the on-shore segment of the Gas pipeline located between Oued es Saf-Saf and Cap Bon;
- (ii) 99.80% of the share capital of Scogat, a company that built the on-shore segment of the Gas pipeline and carries out expansion operations or other related interventions;
- (iii) 65.4% of the share capital of Sergaz, a company which performs operations and maintenance on the on-shore segment of the Gas pipeline and which holds 49.99% of the share capital of Premium Multiservices, a company providing services related to the on-shore segment of the Gas pipeline in favour of the other Investee Companies;
- (iv) 50% of the share capital of TMPC, a company that owns the off-shore segment of the Gas pipeline located between Cap Bon and the Italian Gas pipeline network entry point at Mazara del Vallo in Sicily and that holds 90% of the share capital of Samco, a company providing services related to the off-shore segment of the Gas pipeline in favour of the other Investee Companies;
- (v) 50% of the share capital of Transmed, a company which owns the exclusive selling rights of the natural gas transmission capacity in the off-shore segment of the Gas pipeline;
- (vi) 50% of the share capital of Mariconsult, a company providing operation and maintenance services on the off-shore segment of the Gas pipeline; and
- (vii) 5% of the share capital of Samco.

In particular, the Sale and Purchase Agreement governs the terms and conditions of the completion of the transactions indicated below.

2.1.1 Purchase by Eni of the shares held in Investee Companies by other companies which are part of the group headed by Eni

Pursuant to the Sale and Purchase Agreement, Eni undertakes to purchase the shares currently held by certain companies of the Eni Group in the Investee Companies so that Eni will directly hold the shareholdings in the Investee Companies.

2.1.2 *Transfer*

Eni will transfer to NewCo the shares directly held by the Investee Companies. This Transfer will be carried out following the completion of the purchase by Eni of the shares held in the Investee Companies by other companies of the Eni Group such that, before the Date of Execution, Eni is the owner of the entire share capital of NewCo.

2.1.3 *Acquisition*

Following the completion of the activities described in the preceding Subsections 2.1.1 and 2.1.2, Eni will sell Snam the full ownership of a share in NewCo equal to 49.9% of the share capital, such that, following the sale-purchase transaction, NewCo's share capital is held (x), constituting a shareholding equal to 50.1% of the share capital by Eni and (y), constituting a representative shareholding of 49.9% of the share capital of Snam.

Pursuant to the Sale and Purchase Agreement, in line with determined conditions, at the Date of Execution, Snam could purchase a further shareholding in NewCo representing 0.1% of the share capital, for an amount equal to the Base Price pro-rata (as defined below), thus constituting an overall shareholding equal to 50% of the share capital of NewCo.

2.1.4 *Price*

Pursuant to the Sale and Purchase Agreement, the acquisition by Snam of 49.9% of the share capital of NewCo will be completed upon payment, by Snam to Eni, of 385 million euros (the “**Base Price**”), plus interest of 4% per annum of the Base Price *pro-rata temporis* for the period between 30 June 2021 (the “**Date of Locked-box**”) and the Date of Execution.

In the event Snam purchases more shares in NewCo which are representative of 0.1% of the share capital, Snam will pay Eni an additional amount equal to the Base Price pro-rata (i.e. 771,543 euros).

The Base Price amount will be reduced by the so-called leakage amount, if applicable, which occurs in the period between the Date of Locked-box and Date of Execution communicated by Eni before the Date of Execution. Eni will also make a cash payment to Snam for leakage amounts, if any, in addition to that already deducted from the Base Price, between the Date of Locked-Box and the Date of Execution, as may be ascertained following the Date of Execution, in accordance with the terms and conditions set out in detail in the Sale and Purchase Agreement.

The Sale and Purchase Agreement also provides for an earn-in and earn-out mechanism to be calculated on the basis of revenues that will be generated by the Investee Companies in the period between 2022-2029 (the “**Revenues**”), pursuant to which any difference between the estimated revenues (based on the baseline defined in a contract between the Parties) and the Revenues actually made by the Investee Companies (net of the relative tax effects and several conventional adjustments, calculated pro-rata with respect to the shares indirectly held by Snam in the Investee Companies) will be paid by Eni to Snam

as earn-ins if positive (the “**Earn-In**”) or by Snam to Eni as earn-outs if negative (the “**Earn-Out**”).

Any sums paid during the reference period of 2022-2029 as earn-ins and earn-outs may not exceed 330 million euros and will be paid on an annual basis during the financial year following the reference year.

The Sale and Purchase Agreement provides Snam with an advantageous price adjustment mechanism if, where certain circumstances set out in the Sale and Purchase Agreement are met, any business initiatives to adapt the Gas Pipeline for hydrogen transportation are not approved by NewCo or the Investee Companies by 2040 due to a lack of approval by Eni or the directors Eni appoints in NewCo or the Investee companies.

2.1.5 Conditions precedent for the completion of the Sale and Purchase Agreement

The execution of the Transaction is subject to the fulfilment (or waiver, in accordance with the terms and conditions of the Sale and Purchase Agreement) of the following conditions precedent:

- (a) sending the communication to shareholders of the Investee Companies (other than Eni) and, where required, obtaining consent from the same with respect to the Transaction, including waiving the right of pre-emption or other rights that can be applied in relation to the Transaction;
- (b) obtaining, where required, agreement with respect to the fulfilment of the Transaction by the Administrative Body, shareholders or another corporate body of the Investee Companies;
- (c) obtaining agreement from the State of Tunisia with respect to the Transaction pursuant to the Agreement undersigned on 2 July 2019 between TTPC and Eni and ratified on 16 July 2019 by the State of Tunisia regulating the transfer to TTPC of the exclusive right of sale of the transmission rights of the on-shore segment of the Gas pipeline;
- (d) obtaining, from the Prime Minister’s Office, authorisation to execute the Transaction or, in other words, the expiration of the legal terms applicable in accordance with the so-called “golden power” regulation without any provisions being adopted by the authority that could prevent the completion of the Transaction;
- (e) obtaining authorisation for the Transaction from the relevant antitrust authorities;
- (f) the release by ARERA and the Prime Minister’s Office of a favourable opinion confirming that the provisions pursuant to the Italian Prime Ministerial Decree of 25 May 2012 (as amended by Italian Prime Ministerial Decree of 15 November 2019) or the measures laid down therein cannot be applied to the Transaction.

2.1.6 *Interim period*

During the period between the undersigning of the Sale and Purchase Agreement and the Date of Execution (included) (the “**Interim Period**”), Eni undertakes to ensure that, *inter alia*, NewCo does not transfer its shares to the Investee Companies, does not assume liability and, more generally, does not perform acts or implement transactions that exceed the limits necessary to fulfil the obligations pursuant to the Sale and Purchase Agreement.

In addition to the above, Eni also undertakes to ensure that, in the Interim Period, the Investee Companies do not implement (i) acts or transactions which exceed the ordinary corporate management limits, and (ii) further transaction which are specifically prohibited under the Sale and Purchase Agreement.

2.1.7 *Declarations and warranties issued by Eni*

Under the terms of the Sale and Purchase Agreement, Eni makes a series of representations and warranties to Snam in line with those generally applied in comparable transactions regarding the following matters: (i) the incorporation, existence and status of Eni, NewCo and the Investee Companies; (ii) Eni’s capacity and authorisations; (iii) absence of conflicts; (iv) bylaws, share capital and financial instruments issued or authorised by NewCo and the Investee Companies; (v) full ownership of the shareholding being sold, provenance and availability thereof; (vi) the Contribution; (vii) financial positions of the Investee Companies as at 30 June 2021 and the contribution situation of NewCo; (viii) receivables of NewCo and the Investee Companies; (ix) liabilities and capital and financial structure of NewCo and the Investee Companies; (x) management after 30 June 2021 of the Investee Companies and absence of material changes; (xi) bookkeeping and accounting records of NewCo and the Investee Companies; (xii) bank and financial relationships, guarantees and signature commitments of NewCo and the Investee Companies (xiii) capital assets of NewCo and the Investee Companies; (xiv) real estate assets of NewCo and the Investee Companies; (xv) the Pipeline; (xvi) taxes and duties; (xvii) employment relations of NewCo and the Investee Companies; (xviii) material contracts of NewCo and the Investee Companies; (xix) related-party transactions of NewCo and the Investee Companies; (xx) authorisations of NewCo and the Investee Companies; (xxi) intellectual property rights and information technology; (xxii) processing of personal data; (xxiii) environmental and health and safety issues; (xxiv) insurance; (xxv) compliance with the law; (xxvi) compliance with anti-corruption and administrative liability regulations of NewCo and the Investee Companies; (xxvii) litigation; (xxviii) absence of intermediaries; (xxix) completeness of documentation made available during due diligence.

The set of agreements of declarations and warranties was drawn up following a legal, financial, taxation and technical due diligence activity carried out by external advisors to the Company and subject to negotiation with Eni.

Eni shall compensate Snam for any liabilities incurred by Snam, NewCo or Investee Companies (without duplications) following untruthfulness, inaccuracy or incompleteness and/or breach of the declarations and warranties issued by Eni. The

amount of compensation Eni may be required to pay for breach is subject to limitations (*de minimis*, deductibles and maximum amount) in line with similar transactions, which cannot, however, be applied to certain declarations and warranties deemed ‘fundamental’.

The Sale and Purchase Agreement also covers special indemnification obligations for Snam in relation to any specifically identified contingent liabilities.

Snam, in turn, issues to Eni declarations and warranties relative to its incorporation and existence, ability to undersign the Sale and Purchase Agreement and lack of conflict of interest in relation to the undersigning and execution of the Sale and Purchase Agreement.

2.1.8 *Shareholders' agreement*

At the Date of Execution, Snam and Eni will undersign a Shareholders’ Agreement (the “**Shareholders’ Agreement**”) that will govern the governance of NewCo and Investee Companies and the remit of shares in NewCo.

Pursuant to the Shareholders’ Agreement Snam and Eni will be equally represented with respect to administrative and control bodies of NewCo and candidates that may be put forward by NewCo to the administrative and control bodies of the Investee Companies. Larger quorums are also envisaged (requiring, depending on the case, a favourable vote from all the NewCo Directors or a percentage of the NewCo share capital that is substantial enough to constitute a favourable vote from both parties) for the adoption of resolutions by the Board of Directors and Shareholders’ Meeting of NewCo concerning a wide range of issues which are considered confidential (including, extraordinary transactions, investments and the stipulation of important agreements). Equally, the Shareholders’ Agreement will govern a consultation procedure between Snam and Eni aimed at negotiating and agreeing on a mutual line of conduct to be adopted by the Directors of the Investee Companies designated respectively each time the bodies managing the Investee Companies are called to resolve on a wide range of issues.

Moreover, the Shareholders’ Agreement will cover the mutual strategic objective of Eni and Snam to promote and establish, with prior consent from the competent authorities and other shareholders of the Investee Companies, the adjustment and/or conversion of the Gas pipeline to also allow for the transmission, in full or in part, of hydrogen and/or other gas products.

Procedures are also envisaged to resolve any situation of stagnation and provisions to enable each party, following verification of the technical and legal feasibility, to independently carry out the initiatives relating to the adjustment and/or conversion of the Gas pipeline for the transmission of hydrogen and/or other gas products.

Finally, pursuant to the Shareholders’ Agreement, Eni and Snam are prohibited from transferring (lock-up) their shares held in NewCo for a period of 5 years from the date of entry into said Agreement (except for specific, authorised intra-group transfers). Following the expiry of the lock-up period, any transfer of shares in NewCo will be subject to a right of pre-emption, as well as the favourable opinion from the non-

transferring party subject to the use of specific requirements held by the third transferee of the share.

2.2 Related Parties with which the transaction was implemented, nature of the relationship, nature and scope of the interests of such party within the transaction

The Transaction pursuant to the Information Notice qualifies as a Related-Party Transaction pursuant to Article 3 of the RPT Regulations and Annex 3 of the Guideline, since - as previously mentioned - CDP, as at the Date of the Information Notice, holds: (i) directly, a representative shareholding of 25.96% of the share capital and Eni voting rights; and (ii) indirectly (through CDP Reti, of which it holds 59.1% of the share capital), a representative shareholding of 31.35% of the share capital and Snam voting rights.

For the risk assessment of the potential conflicts of interest arising from the Transaction, please refer to Subsection 1.1 above.

2.3 Economic reasons for the transaction and its value to Snam

The Transaction has an important strategic value to Snam.

As already noted, Snam is one of the main companies in the energy infrastructure industry worldwide thanks to the scale of its transmission network (around 41,000 km) and storage capacity (around 20 BCM) of natural gas, as well as one of the main re-gasification operators.

The Transaction is strategic for Snam in that the Algeria-Tunisia-Italy transmission route is essential for the security of gas provisions in Italy, and it is thought that in the medium to long-term it could represent a preferential corridor for the transmission of green hydrogen in Italy, and to achieve the objectives underlying the de-carbonisation process currently promoted by the European political agenda.

In addition, Snam's input, thanks to specific technical know-how acquired in over eighty years of activity, will modernise the Gas pipeline, allowing for the importation of hydrogen and an allocation of capacity in line with European best practices.

Furthermore, Eni's experience in collaboration with the other local actors could facilitate the interactions aimed at developing the Gas pipeline.

The Transaction will further strengthen Snam's equity story thanks to the strong synergy between the Gas pipeline and the Company's strategic objective to drive energy transition, with a view to transmit fully de-carbonised gas by 2050.

Therefore, the Transaction will make it possible to effectively realise these visions, through the possibility to transmit hydrogen within the infrastructure, both mixed with hydrocarbon, and in dedicated pipelines; the analyses carried out with respect to the production potential in North Africa and Italy's demand have, indeed, shown how North-African hydrogen could reach a high position in the Italian merit order. Furthermore, based on the estimates and evaluations carried out by the Company, it is believed that, through suitable investments calibrated over time in relation to the demand

and expected hydrogen production, the Gas pipeline can transmit the quantities of hydrogen expected.

2.4 Method of determining the price of the transaction and evaluations of whether it is in line with the market values of similar transactions

The Snam Board of Directors determined the Base Price with reference to the methods of evaluation deemed most suitable. For its assessments, the Company drew on the support of UniCredit as a financial advisor. On 8 November 2021 UniCredit issued, as the financial advisor appointed by Snam, a fairness opinion (annexed to this Information Notice as Annex 4) on the financial adequacy of the Base Price.

Furthermore, the RPT Committee received advisory services from Intesa Sanpaolo and DFC Frontier. The Committee appoint Intesa Sanpaolo and DFC Frontier after verifying their independence.

In particular, the Committee checked that, with respect to *(i)* DFC Frontier, there were no economic, equity or financial relations between the advisor and *(a)* Eni, Eni subsidiaries, subjects controlling Eni and the companies subject to mutual control with Eni, as well as Directors of the aforementioned companies; and *(b)* Snam, Snam subsidiaries, subjects controlling Snam and the companies subject to mutual control with Snam, as well as Directors of the aforementioned companies.

With regard to the advisor Intesa Sanpaolo, the RPT Committee: *(i)* acknowledged that Intesa Sanpaolo reported the existence of certain economic, equity and financial relationships (either current relationships or ones that have taken place in the last three years) with Snam, Eni and CDP with regard to corporate and investment banking, debt capital markets and lending activities provided to these companies by Intesa Sanpaolo; *(ii)* acknowledged that, based on Intesa Sanpaolo's statements, *(a)* the amounts provided by Intesa Sanpaolo to Snam by way of loans, as of 30 June 2021, accounted for less than 0.4% of the Intesa Sanpaolo group's total revenues from lending activities as of the same date, and *(b)* Intesa Sanpaolo's revenues from debt capital markets and corporate investment banking activities carried out for Snam, as of 30 June 2021 account for less than 0.1% of the Intesa Sanpaolo group's total revenues from debt capital markets and corporate investment banking activities as of the same date; and *(iii)* taking account also of the statements made by Intesa Sanpaolo, it considered that the lending, debt capital markets and corporate investment banking activities carried out by Intesa Sanpaolo for the Eni group and CDP were not significant enough – with respect to the Intesa Sanpaolo group's overall activities in the respective sectors – to affect Intesa Sanpaolo's independence in carrying out the assignment. In light of the above, based on the statements made and the commitments undertaken by Intesa Sanpaolo, the RPT Committee determined that, to the best of its knowledge, there is no evidence to suggest that Intesa Sanpaolo's relationships with the groups headed by Snam, Eni and CDP might undermine Intesa Sanpaolo's independence in carrying out its role as expert supporting the RPT Committee as part of the Transaction. This is also in consideration of the fact that the Intesa Sanpaolo group – a leading banking group in Italy and Europe – has for years been carrying out significant financial advisory activities for companies in complex

extraordinary finance transactions, acting with proven professionalism which, in turn, is a guarantee of impartiality and high-quality services. Therefore, in light of Intesa Sanpaolo's statement and the above, the RPT Committee acknowledged that there are no economic, capital and financial relationships that may undermine Intesa Sanpaolo's independence and autonomy of judgement pursuant to the RPT Regulations and Guidelines, or that may give rise to conflicts of interest in relation to the activities carried out by Intesa Sanpaolo as part of the assignment.

The analyses and considerations in relation to the evaluations carried out by Intesa Sanpaolo are included in the fairness opinion annexed to this Information Notice as Annex 2, in which Intesa Sanpaolo deemed the Base Price to be reasonable.

The analyses and considerations in relation to the evaluations carried out by DFC Frontier are contained in the opinion issued by the Committee attached hereto as Annex 3, in which DFC Frontier confirmed the estimates on the natural gas flows and the forecasts relating to the green hydrogen volumes, determining the scenarios to be reasonable for the most part and plausible both from the point of view of demand analyses and supply, as well as in terms of infrastructure, particularly in relation the period 2022-2029. Moreover, with reference to the hydrogen forecasts, the growth in demand in Italy seemed coherent, in line with the European de-carbonisation scenarios and other available external sources. In light of the limits to the potential development of hydrogen in Italy and the abundant resources in cross-border Mediterranean countries, and particularly Tunisia and Algeria, the need for Italy to import hydrogen was confirmed on the one hand and, on the other, the benefits deriving from the use of the North-African route as opposed to other possible alternatives. The plan for necessary investments envisaged in terms of infrastructure was deemed to be technically feasible and plausible.

2.4.1 Criteria for determining the consideration

Considering the aim of the evaluations, specific characteristics of the scope under evaluation and in line with the provision of best evaluation practices in Italy and internationally for similar transactions, several analytical and empirical evaluation methods were investigated for the purpose of evaluating the Transaction. These methods must not be analysed independently, but rather considered as a whole and part of a single evaluation process, while also taking into consideration the particular characteristics of each one.

In light of these considerations, the Dividend Discount Model Method (“**DDM Method**”) was identified as the main method.

The following evaluation methods were applied as means of further analysis:

- transaction multiples method;
- stock market multiples method.

The DDM Method was adopted with the purpose to consider cash flows to shareholders that could be generated by Investee Companies in the future, as well as to understand their respective particularities in terms of profitability, growth, risk level, equity structure

and expected level of investments. It is specified that, with the purpose of taking a cautious approach to the evaluation, no terminal value was considered during the valuation exercise.

Based on this method, a company's Equity Value is estimated as the current value of cash flows for shareholders expected according to the projections of a given period as expressed by the formula below:

$$EqV = \sum_t^N \frac{FCe}{(1 + Ke)^t}$$

where:

EqV = Equity Value;

FCe = annual cash flow to shareholders expected in period t;

N = number of projection periods;

Ke = cost of risk capital.

Cash flows to shareholders are equal to the dividends subject to distribution on the basis of the projections provided.

The cost of risk capital reflects the expected return from the investor, in consideration of the relative risk of the investment, calculated on the basis of the Capital Asset Pricing Model using the following formula:

$$Ke = Rf + \beta * (Rm - Rf)$$

where:

Ke = cost of risk capital;

Rf = expected return rate on risk-free investments;

β = coefficient which measures the relationship between expected returns on the investment considered and the expected returns on the stock market of reference;

Rm = expected average returns on equity investments in the stock market of reference;

(Rm - Rf) = performance bonus requested by the stock market of reference (Rm) with respect to risk-free investments (Rf).

Generally speaking, the discounting rates used to estimate the equity value of the Transaction scope reflects assumptions that are consistent with the market benchmark values (expected return rate on risk-free returns, Beta coefficient, performance bonus requested by the stock market).

For the purpose of evaluating the scope of the Transaction according to the DDM Method, a "Sum of the Parts" approach was taken. The Equity Value for the purpose of the evaluation is therefore determined as the sum of values of the individual activities that can be identified for each economic entity/business area/country.

The process allowed for the same to be evaluated through the implementation of specific Dividend Discount Models for each individual activity using different K_e estimates and assumptions. In particular, K_e estimates differentiated by each business area/country/application area were used. This differentiation was implemented in consideration of:

- specific return rates expected on risk-free investments (R_f) and the specific average return expected on equity investments in the stock market of reference for each country (R_m), coherently with the different risk profile of each country;
- specific beta coefficient for each business area (β);

In addition to the foregoing, analyses were also carried out in relation to:

- the transaction multiples method, which examines transaction patterns where the scope of Transaction is similar in terms of type/business model and geographic area to the transaction scope being evaluated. The quality of analysis is strongly influenced by the transactions selected, the period of reference, the characteristics/geographic location of the assets and the model contract/regulatory regime relative to the case in point. Considering the characteristics of the transactions most similar to the Transaction in question, said method was taken into consideration only as a control/benchmark method;
- the stock market multiples method which considers the shareholdings of similar listed companies operating in the same sector or in similar sectors. The quality of analysis is strongly influenced by the similar companies selected and the period of reference. In the present case, the relationships between stock market prices (as provided in the FactSet database) at which securities of companies operating in similar sectors to those operating within the scope of Transaction were traded. The stock market multiples method was subject to analyses, but it was not applied given the limited comparability with the scope of the Transaction in terms of asset geographical location, regulatory regime in force, returns profile and requirements in terms of expected investments.

2.4.2 Reference date and documentation used

The evaluations carried out for the purpose of determining the adequacy of the consideration refer to the Date of Locked-box. For the purposes of the so-called fundamental Dividend Discount Model (DDM) evaluation, the most recent economic-financial data from 30 June 2021 were used on the assumption that, for each of the Investee Companies falling within the scope of the Transaction, no events, facts or deeds have occurred which warrant significantly amending the company's equity, economic and financial profile which is subject to analysis in the period between the date of the evaluation and the more recent available accounts.

The documents used to determine the adequacy of the Base Price include, among others:

- economic-financial model relative to the scope of the Transaction prepared by Snam's management team;

- commercial (upstream), technical, legal due diligence reports and their related opinions prepared by Snam's advisors;
- draft contractual documents.

Other information available to the public was also used, including:

- financial statements and research related to companies operating in similar sectors to those within the scope of the Transaction;
- performance of share prices, obtained through specialised databases, of the companies listed in the previous points;
- press releases, analyses and research concerning fusion transactions and acquisitions that involved subjects/assets related to the TSO (Transmission System Operator) sector.

2.4.3 Difficulties and limitations encountered during evaluation

The conclusions of the evaluation process must, in all cases, be considered in light of certain limitations and difficulties as summarised below:

- the preliminary results and estimates and economic-financial projections used for the evaluation present, by nature, uncertainty with regard to the foreseeability of the expected future performance of operations and income, also in relation to possible changes to the reference context;
- the evaluation methods based on multiples are less significant within the context of the Transaction, as it is not possible to identify a sample from previous transactions or other listed companies which are comparable to the companies included within the scope and structure of the Transaction, considering the specific characteristics of the target company and the various contractual matters.

2.5 Economic, equity and financial effects of the Transaction

2.5.1 Economic, equity and financial effects

The Acquisition constitutes a transaction of “greater importance” between Related Parties in accordance with the Guideline since, as laid out in more detail in the following Subsection 2.5.2, one out of three of the applicable relevance indicators is greater than the 2.5% threshold.

For accounting purposes, the effects of the Acquisition will only be determined following the Date of Execution.

It is specified that, with reference to Snam's consolidated financial statements, the completion of the Acquisition will determine the recognition of a jointly controlled shareholding, recorded in the financial statements at the time of its initial registration based on the costs attributable to its acquisition.

The cost of a shareholding in a jointly controlled company during initial recognition includes the price of purchase and other directly attributable costs required to acquire

the shareholding. The cost of Acquisition includes, in addition to the Base Price, the other costs which are directly attributable to the Acquisition. The shareholding is then evaluated with reference to the consolidated financial statements using the equity method.

Finally, it is noted that the Acquisition is not a “significant” transaction if it does not exceed the significance reporting thresholds with the purpose of fulfilling the obligation to publish the Information Notice in accordance with Article 71 of the Issuers’ Regulations.

2.5.2 *Acquisition relevance indicators*

In accordance with Article 8, paragraph 1 of the RPT Regulation and Article 4 of the Guideline, the Acquisition is considered to be a transaction of “greater importance” with a Related Party even if only one of the relevance indicators pursuant to Annex 3 to the RPT Regulation and Annex 1 of the Guideline (i.e., pertaining to equivalent value, asset and liabilities) is greater than 2.5%.

In the present case, the Acquisition is considered a transaction of “greater importance” with a Related Party, in accordance with Article 8, paragraph 1 of the RPT Regulation and Article 4 of the Guideline, as the relevance index pertaining to the equivalent value of the Transaction pursuant to Annex 3 to the RPT Regulation and Annex 1 of the Guideline is greater than 2.5%.

In particular, the following relevance indicators are applied:

- (i) the greater importance threshold pertaining to the equivalent value of the Acquisition is equal to approximately 403 million euros (the “**Equivalent-Value Threshold**”), in accordance with the relevance indicator pursuant to Article 1.1(a), Annex 3 of the RPT Regulation and Article 1(a), Annex 1 of the Guideline, determined as 2.5% of Snam’s capitalisation recorded at 30 September 2021 (equal to 16.1 billion euros), i.e., at the closure of the last market trading day included in the period covered by the latest accounting periodical published document published by Snam;
- (ii) the threshold of greater importance concerning assets is equal to 648 million euros, in accordance with the relevance indicator pursuant to Article 1.1(b), Annex 3 of the RPT Regulations and Article 1(b), Annex 1 of the Guideline, determined as 2.5% of Snam Group’s total assets as at 30 September 2021 (equal to 25.9 billion euros), or drawn from the latest consolidated balance sheet published by the Snam Group;
- (iii) the threshold of greater importance concerning liabilities is equal to 648 million euros, in accordance with the relevance indicator pursuant to Article 1.1(c), Annex 3 of the RPT Regulations and Article 1(c), Annex 1 of the Guideline, determined as 2.5% of Snam Group’s total assets as at 30 September 2021 (equal to 25.9 billion euros), or drawn from the latest consolidated balance sheet published by the Snam Group.

With reference to the Equivalent-Value Threshold, in consideration of the Base Price that Snam should pay to Eni for the purchase of 49.9% of the share capital of NewCo and the cash component that it should pay for the purchase of the further 0.1%, if relevant, as well as the maximum amount of the variable component of the consideration that Snam may be obliged to pay to Eni in accordance with the earn-out commitments described in the previous Subsection 2.1, the Acquisition is considered to be a Related-Party Transaction of “greater importance”, as it is well-suited to exceed the Equivalent-Value Threshold.

For the sake of completeness, with respect to the additional two relevance thresholds, it is noted that:

- (a) the equivalent value of the Acquisition (as identified above) ⁽¹⁾ is less than the relevance threshold of assets as laid out in the previous point (ii); and
- (b) the total liabilities of NewCo is equal to 0 euros ⁽²⁾; this value is less than the relevance threshold of liabilities as laid out in the previous point (iii).

2.6 Change in the amount of the remuneration for members of the Board of Directors of the Company and/or companies of the Snam Group following the transaction

The amount of remuneration for the Board of Directors of Snam and/or other companies within the Snam Group is not expected to change following the Acquisition.

2.7 Members of the administrative and control bodies, general managers and managers of the Company involved in the Transaction as Related Parties

No members of the Snam Board of Directors or Board of Statutory Auditors, general managers or managers are involved in the Acquisition as Related Parties.

2.8 Transaction approval

2.8.1 RPT Committee Activities

In accordance with Article 4 of the Guideline, the Related-Party transactions of “greater importance” are approved by the Board of Directors upon a motivated favourable opinion by the RPT Committee, which is expressed on the Company’s interest in completing the transaction and on the appropriateness and substantial fairness of its conditions.

⁽¹⁾ It is assumed that, since the acquisition in question refers to the contribution of equity shares, it transpires that NewCo, from which Snam will acquire 49.9%, does not assume any liability. It is also assumed that, with respect to the Contribution, NewCo’s financial position will be comprised of direct and indirect shares in the Investee Companies and by a corresponding net equity value.

⁽²⁾ It is assumed that, since the acquisition in question refers to the contribution of equity shares, it transpires that NewCo, from which Snam will acquire 49.9%, does not assume any liability. It is also assumed that, with respect to the Contribution, NewCo’s financial position will be comprised of direct and indirect shares in the Investee Companies and by a corresponding net equity value.

In that regard, as already expressed in Subsection 1.1 above, Snam has implemented all the principals necessary for the correct qualification of the Transaction, subjecting it to the dedicated procedure identified in accordance with the RPT Regulations and the Guideline.

In particular, the RPT Committee, composed of three independent non-executive directors in accordance with the CLF and the New Corporate Governance Code - Francesco Gori (Chairman), Francesca Pace and Antonio Marano - has been involved since the initiation of the investigation phases of the Transaction by receiving a comprehensive, prompt and regular flow of information by the relative departments during the various meetings (as indicated in more detail in the RPT Committee opinion, [Annex 1](#) to this Information Notice).

Furthermore, the RPT Committee availed itself of the power to request information and make observations to the company departments/corporate bodies appointed to carry out negotiations also with the purpose of formulating the opinion in relation to (i) the Company's interest to complete the transaction, (ii) the appropriateness of the relative conditions and (iii) the substantial fairness of the relative conditions.

As indicated in subsection 1.1, the RPT Committee made use, for the purpose of issuing its own opinion, of Intesa Sanpaolo, which issued a RPT fairness opinion on the adequacy of the consideration for the Acquisition and DFC Frontier, which issued an opinion in relation to the commercial scenarios and hypotheses concerning Snam's gas and hydrogen flow estimates for the Gas pipeline.

Finally, on 08 November 2021, the RPT Committee expressed unanimously and with the participation of all its members - and, therefore, without abstentions or votes against - its favourable opinion on Snam's interest in completing the Acquisition, as well as on the appropriateness and substantial fairness of the relative conditions (see Annex 1).

2.8.2 Approval of the transaction by the Board of Directors

Negotiations with Eni aimed at defining the terms and conditions of the Sale and Purchase Agreement and the Shareholders' Agreement were carried out by Snam's management team, with the support of relative company departments and an external law firm appointed to assist the Company with matters relating to the Transaction.

On 08 November 2021, the Board of Directors of the Company, based on investigation documents and the motivated favourable opinion of the RPT Committee, noting Snam's interest in completing the Transaction as well as the appropriateness and substantial fairness of the relative conditions, and also making use of the fairness opinion on the adequacy of the consideration of the Transaction issued by UniCredit, resolved, unanimously among its members, to approve the Transaction.

2.9 Importance of the transaction deriving from combination pursuant to Article 5, paragraph 2 of the RPT Regulation

The importance of the Acquisition exists in and of itself and is not a result of being combined with other transactions.

