

Italgas

Informative document

2023 - 2025 Long Term Incentive Plan

Prepared pursuant to Article 114-*bis* of Legislative Decree no. 58 of 24 February 1998 ("CLF") and Article 84-*bis* of the regulation adopted by Consob with resolution no. 11971 of 14 May 1999 as subsequently supplemented and amended ("Issuers' Regulations")

Introduction

This informative document has been prepared by Italgas S.p.A. ("Italgas" or the "Company") in accordance with Article 84-*bis* of the Issuers' Regulations and in line with the indications contained in the relative Annex 3A – scheme no. 7, with the aim of informing its shareholders and the market about the proposal to adopt the 2023-2025 Long-Term Incentive Plan ("LTI Plan" or "Plan"), approved by the Board of Directors of Italgas on 9 March 2023 and which will be submitted, in accordance with Article 114-*bis* of the CFL, for approval by the Ordinary Shareholders' Meeting convened, in a single call, for 20 April 2023.

The 2023-2025 LTI Plan maintains strong alignment and provides continuity with previous long-term incentive plans from a structural point of view, while introducing a greater focus on sustainability issues, which Italgas Group considers an integral part of its Strategic Plan. The proposed Plan is also consistent with Italgas' Remuneration Policy, which is more fully illustrated in the document submitted to the Shareholders' Meeting for approval. This document is available on the Company website (www.italgas.it).

Special attention was therefore paid to the evolution of sustainability-related performance indicators, as well as to the overall targets that will determine the incentives paid after the Vesting period. This in the belief that the LTI Plan, like other management incentive tools, should contribute to the Company's sustainable success in the medium to long term.

Therefore, the Accumulated Net Profit and Total Shareholder Return indicators already used in the previous long-term incentive plan are confirmed, while the weight of the sustainability-related component is increased with the definition of performance indicators envisaged in the Group Strategic Plan¹ and in the Sustainable Value Creation Plan (reduction of CO₂ emissions - scope 1 and 2 and reduction of net energy consumption)².

For all indicators, as in the previous plan, a performance measurement over the entire three-year Vesting period is planned.

Italgas' Board of Directors approved the adoption of the LTI Plan by resolving, upon the proposal of the Appointments and Compensation Committee on 2 March 2023, to use the "Consolidated Net Profit", "Sustainability" and "Total Shareholder Return" parameters as performance indicators. The use of the latter indicator further strengthens the link between the LTI Plan and share performance

¹ See the presentation on the 2022-2028 Strategic Plan published on Italgas' website (www.italgas.it).

² See the presentation on the Sustainable Value Creation Plan published on the Italgas website (www.italgas.it).

and therefore, in light of the existing regulatory framework, requires the approval of the Shareholders' Meeting.

The LTI Plan applies to Italgas and its Subsidiaries and should be considered "particularly relevant" pursuant to Article 114-*bis*, subsection 3, of the CLF and art 84-*bis*, paragraph 2, of the Issuers' Regulations, insofar as it is also aimed, *inter alia*, at the Chief Executive Officer and Executives with Strategic Responsibilities of Italgas.

The Plan is in line with the Recommendations of the Corporate Governance Code.

This informative document is available to the public at Italgas' registered office as well as in the "Governance" section of the Company's website (www.italgas.it) as well as in the manner indicated in Article 84-*bis* of the Issuers' Regulations.

Definitions

Except where expressly stated, the following terms shall have the meanings indicated below, it being understood that terms and expressions defined in the feminine shall also be understood as defined in the masculine (and vice versa) and that terms and expressions defined in the singular shall also be understood as defined in the plural (and vice versa).

- **Beneficiaries or Participants:** the addressees of the LTI Plan.
- **Claw-back:** this refers to the contractual mechanism that provides for the possible return, even partial, of the assigned incentives, in cases where it is ascertained that the assignment is attributable to malicious or seriously negligent conduct or in any case in breach of the relevant regulations (whether corporate, legal, regulatory or of any other nature) by the Beneficiary, or where the aforesaid targets have been achieved on the basis of data later proving to be clearly incorrect.
- **Appointments and Compensation Committee or Committee:** it is composed of two independent non-executive directors (including the Chairman) and a non-executive director and is responsible for making proposals and advising the Board of Directors on the remuneration of the directors and Executives with Strategic Responsibilities. In particular, the Committee submits for the approval of the Board the Report on the Remuneration Policy and Compensation Paid and proposals relating to the remuneration of directors with powers, and expresses opinions, *inter alia*, on long-term incentive plans, including share-based plans, on the definition of performance objectives and the final accounting of company results linked to the implementation of incentive plans and the determination of the variable remuneration of directors with powers.
- **Board of Directors or Board:** means the Board of Directors of Italgas S.p.A. in its current composition.
- **Executives with Strategic Responsibilities:** in line with the provisions of Article 65, paragraph 1-*quater*, of the Issuers' Regulations, "those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly". Italgas' Executives with Strategic Responsibilities, other than Directors and Statutory Auditors, are as of the date of publication of this document: General Counsel, Chief Financial Officer, Head of Human Resources & Organization, Head of External Relations and Sustainability, Head of Institutional Relations and Regulatory Affairs, Head of Procurement and Material Management, Chief Security Officer, Head of Corporate Strategy, Chief Executive Officer of Italgas Reti, Chief Executive Officer of Bludigit, Chief Executive Officer of Toscana Energia.
- **Italgas Group or Group:** indicates the set of companies included in the consolidation scope of

Italgas S.p.A. (including the Company itself).

- **Incentive allocated:** the monetary amount allocated to Beneficiaries and which may actually be disbursed at the end of a predetermined period (Vesting period) according to pre-established performance and retention conditions.
- **Incentive disbursed:** the monetary amount disbursed to Beneficiaries at the end of the predetermined period (Vesting period) in an amount linked to the performance levels achieved under the terms and conditions established by the LTI Plan.
- **Threshold level:** represents the minimum result level for a performance parameter which, once achieved, entitles receipt of 70% of the Incentive allocated for that performance parameter (threshold) and below which the Plan does not provide for the disbursement of any incentive.
- **Target level:** represents the result level which, once achieved for a performance parameter, entitles receipt of 100% of the Incentive allocated for that performance parameter.
- **Maximum level:** represents the maximum result level for a performance parameter which, once achieved, entitles receipt of 130% of the Incentive allocated for that performance parameter (cap) and above which no further over-performance is recognised.
- **Peer Group:** the group of companies used for comparison with Italgas of the three-year TSR results in accordance with the defined performance parameters, made up of the following listed European companies in the utilities sector: A2A, Elia System Operator, Enagas, Red Eléctrica, Snam, Terna.
- **Regulations:** the document, approved annually by the Board of Directors, governing each annual allocation of the LTI Plan.
- **Issuers' Regulations:** Consob Regulation no. 11971 of 14 May 1999 containing the rules for entities issuing financial instruments, as subsequently amended and supplemented.
- **Subsidiaries:** companies controlled by Italgas S.p.A. pursuant to Article 2359 of the Italian Civil Code.
- **Sustainability:** represents the performance indicators included in the LTI Plan and consisting of the reduction of CO₂ emissions - scope 1 and 2 and the reduction of net energy consumption as indicated in the Company's Strategic Plan and Sustainable Value Creation Plan.
- **Consolidated Law on Finance (CLF):** the "Consolidated Law on financial intermediation" is Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented. The CLF introduced legislation on financial matters "based on principles", which at primary regulatory level only establishes general guidelines, deferring the definition of detailed rules to

the Supervisory Authorities (e.g. CONSOB).

- **Total Shareholder Return (TSR):** indicates the overall yield of a share taking into account both the price variation and the distribution of dividends.
- **Accumulated consolidated Net Profit:** the net profit achieved net of special items relating to events or operations: i) which are non-recurring or do not occur frequently in the usual course of business; ii) not representative of the normal business activity of the company.
- **Vesting or Vesting period:** period between the allocation and accrual of a right to receive the bonus (this period corresponds to the performance period for the bonus).

1. The addressees

1.1 THE INDICATION OF THE NAME OF THE ADDRESSEES WHO ARE MEMBERS OF THE BOARD OF DIRECTORS OR OF THE MANAGEMENT BOARD OF THE ISSUER OF FINANCIAL INSTRUMENTS, OF THE COMPANIES CONTROLLING THE ISSUER AND OF COMPANIES DIRECTLY OR INDIRECTLY CONTROLLED BY IT.

The LTI Plan applies to the Chief Executive Officer of Italgas, currently identified as Paolo Gallo. If the beneficiaries referred to in paragraph 1.2 below include persons for whom, under current regulatory provisions, identification by name is required, also in relation to the position of Director possibly held in Subsidiaries, the Company will provide the market with the relevant information, on the occasion of the notifications required under Article 84-*bis*, paragraph 5, of the Issuers' Regulations.

1.2 THE CATEGORIES OF EMPLOYEES OR COLLABORATORS OF THE ISSUER OF FINANCIAL INSTRUMENTS AND OF THE COMPANIES CONTROLLING OR CONTROLLED BY THIS ISSUER.

The executives and managers of Italgas and its Subsidiaries (about 40 in total), who are: Chief Executive Officers of Subsidiaries directly controlled; Executives with Strategic Responsibilities of Italgas; executives and managers identified among those who hold positions with the greatest impact on company results. The beneficiaries will be identified in detail for each cycle of the plan during its implementation from among those who hold roles with the greatest impact on medium- to long-term business results or with strategic importance for the Group.

1.3 THE NAME OF THE PARTIES BENEFITTING FROM THE PLAN BELONGING TO THE FOLLOWING GROUPS:

a) *general managers of the issuer of financial instruments;*

Not applicable.

b) *other executives with strategic responsibilities of the issuer of financial instruments not classed as "small", pursuant to Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, if they have received, during the financial year, total compensation (obtained by adding the monetary compensation to the compensation based on financial instruments) in excess of the highest total compensation assigned to the members of the board of directors, or the management board, and to*

the general managers of the issuer of financial instruments;

Not applicable.

c) natural persons who control the share issuer, who are employees or who perform collaborative activities in the share issuer;

Not applicable.

1.4 DESCRIPTION AND NUMERICAL INDICATION, SEPARATED BY CATEGORY:

a) executives with strategic responsibility other than those specified under letter b) of paragraph 1.3;

At the date of publication of this document, there are eleven Executives with Strategic Responsibilities other than those indicated in paragraph 1.3: General Counsel, Chief Financial Officer, Head of Human Resources & Organization, Head of External Relations and Sustainability, Head of Institutional Relations and Regulatory Affairs, Head of Procurement and Material Management, Chief Security Officer, Head of Corporate Strategy, Chief Executive Officer of Italgas Reti, Chief Executive Officer of Bludigit, Chief Executive Officer of Toscana Energia.

b) in the case of "small" companies, in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, the aggregate indication of all executives with strategic responsibilities of the issuer of financial instruments;

Not applicable.

c) any other categories of employees or collaborators for whom different characteristics of the plan have been envisaged (e.g. executives, middle managers, office workers, etc.);

It should be noted that the incentive scheme set out in the plan is the same for all beneficiaries, differing only in terms of the value of the Incentive allocated, which is related to the complexity and strategic importance of the role held.

2. The reasons behind the adoption of the plan

2.1 THE OBJECTIVES TO BE ACHIEVED BY MEANS OF THE ALLOCATION OF THE PLANS.

The Plan was introduced as an incentive and loyalty-building tool for the Company's most critical management and is aimed at ensuring the following objectives, in line with international best

practices:

- support the implementation of the Group's Strategic Plan and the achievement of sustainable success through the combination of performance indicators linked to corporate profitability (Accumulated Net Profit) and sustainability;
- greater alignment with shareholder interests in the medium to long term through the use of three-year indicators and in particular the Total Shareholder Return;
- foster the retention of the company's top management and key roles that are fundamental to the achievement of the company's results in the medium to long term and thereby improve Italgas' competitiveness in the labour market.

The LTI Plan establishes a three-year Vesting period for each annual allocation, in line with international best practices.

2.2 KEY VARIABLES, ALSO IN THE FORM OF THE PERFORMANCE INDICATORS CONSIDERED FOR THE ALLOCATION OF THE FINANCIAL INSTRUMENT-BASED PLANS.

The incentive levels are defined as a percentage of fixed remuneration, in accordance with the following principles of Italgas' remuneration policy:

- a compensation structure, for the management, with a suitable balance between: a fixed component in line with the powers and/or responsibilities assigned; a variable component defined within the maximum limits and aimed at linking remuneration to actual performance;
- consistency of overall remuneration with respect to applicable market benchmarks for similar positions or roles with a similar level of responsibility and complexity, as part of the corporate panels comparable to Italgas;
- variable remuneration of managerial roles having greater influence over company results featuring a significant percentage of incentive components, in particular long-term, through adequate deferral over a period of at least three years, in line with the long-term nature of Italgas' business.

For performance indicators, refer to point 2.3 below.

2.3 ELEMENTS UNDERLYING THE DETERMINATION OF THE ENTITY OF THE FINANCIAL INSTRUMENT-BASED COMPENSATION, NAMELY THE CRITERIA WITH WHICH TO DETERMINE IT.

The amount of the monetary incentives allocated at target to each Beneficiary is differentiated according to the level of responsibility/critical nature of the role, from a minimum of 20% up to a maximum of 65.5% of the fixed remuneration.

The performance conditions of the LTI Plan are linked to the following parameters:

- Cumulative Net Profit, with a 50% weighting, calculated on a three-year basis by comparing the actual figures with the budget and Strategic Plan;
- Total Shareholder Return, with a 30% weighting, calculated on a three-year basis by comparing the TSR value with reference to Italgas' positioning measured against the defined Peer Group;
- Reduction in the three-year period of CO₂ emissions - scope 1 and 2 compared to the year 2020 with the same scope, with a 10% weighting;
- Reduction in net energy consumption over the three-year period compared to the year 2020 with the same scope, with a 10% weighting.

2.4 THE REASONS UNDERLYING ANY DECISION TO ALLOCATE FINANCIAL INSTRUMENT-BASED COMPENSATION PLANS NOT ISSUED BY THE ISSUER OF FINANCIAL INSTRUMENTS, SUCH AS FINANCIAL INSTRUMENTS ISSUED BY SUBSIDIARIES OR PARENT COMPANIES OR THIRD-PARTY COMPANIES WITH RESPECT TO THE GROUP OF ORIGIN; IN THE EVENT THAT SAID INSTRUMENTS ARE NOT TRADED ON REGULATED MARKETS, INFORMATION ON THE CRITERIA USED TO DETERMINE THE VALUE ALLOCATED TO THEM.

Not applicable.

2.5 EVALUATIONS WITH REGARDS TO SIGNIFICANT TAX AND ACCOUNTING IMPLICATIONS WHICH HAVE AFFECTED THE DEFINITION OF THE PLANS.

The structure of the LTI Plan was not affected by applicable tax legislation or accounting implications.

2.6 ANY SUPPORT OF THE PLAN BY THE SPECIAL FUND TO ENCOURAGE WORKERS TO PARTICIPATE IN BUSINESSES, PURSUANT TO ARTICLE 4, PARAGRAPH 112 OF LAW NO. 350 OF 24 DECEMBER 2003.

Not applicable.

3. Approval procedure and timing for the assignment of the instruments

3.1 SCOPE OF POWERS AND FUNCTIONS DELEGATED BY THE SHAREHOLDERS' MEETING TO THE BOARD OF DIRECTORS FOR THE IMPLEMENTATION OF THE PLAN.

On 9 March 2023, the Italgas Board of Directors resolved, on the proposal of the Appointments and Compensation Committee, made on 2 March 2023, and with the abstention of the Chief Executive Officer, to submit the LTI Plan to the Shareholders' Meeting for approval pursuant to Article 114-*bis* of the CLF.

Following the approval of the Shareholders' Meeting, the Board of Directors, in exercising the authority that will be conferred to it by the Shareholders' Meeting, will implement the Plan, including through individuals appointed for this purpose, resolving on:

- i)* the annual allocation of the incentive to the Chief Executive Officer;
- ii)* the approval of the LTI Plan Regulations;
- iii)* the definition of criteria to identify the other Beneficiaries;
- iv)* as well as any other terms and conditions required for implementation provided that it does not conflict with the terms established by the Shareholders' Meeting.

3.2 INDICATION OF PARTIES APPOINTED TO ADMINISTER THE PLAN AND THEIR FUNCTION AND COMPETENCE.

Without prejudice to the responsibilities referred to in paragraph 3.1 above, management of the LTI Plan is assigned to the relevant Italgas departments of the Human Resources & Organisation Function.

3.3 ANY PROCEDURES IN PLACE FOR THE REVIEW OF PLANS, INCLUDING IN RELATION TO ANY ALTERATION OF THE BASIC OBJECTIVES.

Without prejudice to the responsibilities of the Shareholders' Meeting in the cases provided for by law, the Board of Directors, having heard the opinion of the Appointments and Compensation Committee, is the body responsible for making any amendments to the Plan. The Board, with the abstention of the Chief Executive Officer, may make any changes to the Plan that are necessary to bring it into line with laws and regulations, provisions of Italian and foreign Authorities, as well as correct any inconsistencies, defects and omissions in the regulations and/or the Plan, without prejudice to its adherence to the principles and nature of the same as approved by the Shareholders' Meeting.

3.4 DESCRIPTION OF THE METHODS BY WHICH TO DETERMINE THE AVAILABILITY AND ASSIGN THE FINANCIAL INSTRUMENTS ON WHICH THE PLANS ARE BASED.

The LTI Plan provides for the payment of monetary incentives and does not provide for the assignment of financial instruments.

3.5 THE ROLE PLAYED BY EACH DIRECTOR IN DETERMINING THE CHARACTERISTICS OF SAID PLANS; ANY SITUATIONS OF CONFLICT OF INTEREST ARISING CONCERNING THE RELEVANT DIRECTORS.

Consistent with the recommendations of the Corporate Governance Code for listed companies, to which Italgas adheres, the terms of the Plan were defined at the proposal of the Appointments and Compensation Committee, entirely made up of non-executive Directors, the majority of whom are independent, with the Chairman chosen from among the independent Directors. The proposal to submit the Plan to the Shareholders' Meeting, pursuant to Article 114-*bis* of the CLF, was therefore resolved by the Board of Directors, with the abstention of the Chief Executive Officer, after receiving the favourable opinion of the Board of Statutory Auditors pursuant to Article 2389, paragraph 3, of the Italian Civil Code.

The LTI Plan, for some of its Beneficiaries (Chief Executive Officer and Executives with Strategic Responsibilities), constitutes a related party transaction subject to approval by the Shareholders' Meeting pursuant to Article 114-*bis* of the CLF, for which the specific procedures set forth in Consob Resolution no. 17221 of 12.3.2010 and subsequently amended by Resolution no. 17389

of 23 June 2010 ("Regulations for Related Party Transactions") do not apply, in accordance with the provisions of the Regulations for Related Party Transactions and the related procedure "Transactions involving the interests of the Directors and Statutory Auditors and Related-Parties Transactions" adopted by the Company.

3.6 FOR THE PURPOSE OF THE REQUIREMENTS OF ARTICLE 84-BIS, PARAGRAPH 1, THE DATE OF THE DECISION TAKEN BY THE COMPETENT BODY TO PROPOSE THE APPROVAL OF THE PLANS TO THE SHAREHOLDERS' MEETING AND ANY PROPOSAL OF THE APPOINTMENTS AND COMPENSATION COMMITTEE, WHERE EXISTING.

On 9 March 2023, following a proposal made by the Appointments and Compensation Committee on 2 March 2023, the Board of Directors resolved to submit the LTI Plan to the Shareholders' Meeting.

3.7 FOR THE PURPOSE OF THE REQUIREMENTS OF ARTICLE 84-BIS, PARAGRAPH 5, LETTER A), THE DATE OF THE DECISION TAKEN BY THE COMPETENT BODY REGARDING THE ASSIGNMENT OF THE INSTRUMENTS AND THE POTENTIAL PROPOSAL TO SAID BODY MADE BY THE APPOINTMENTS AND COMPENSATION COMMITTEE, WHERE EXISTING.

Not applicable.

3.8 THE MARKET PRICE, RECORDED ON THE SAID DATES, FOR THE FINANCIAL INSTRUMENTS ON WHICH THE PLANS ARE BASED, IF TRADED ON REGULATED MARKETS.

Official Italgas share price in the thirty calendar days prior to 9 March 2023 (date on which the Board of Directors approved submitting the LTI Plan proposal to the Shareholders' Meeting): 5,4516 euros.

3.9 IN THE CASE OF PLANS BASED ON FINANCIAL INSTRUMENTS TRADED ON REGULATED MARKETS, IN WHAT TERMS AND HOW THE ISSUER CONSIDERS, WHEN IDENTIFYING THE TIMING OF THE ASSIGNMENT OF THE INSTRUMENTS IN IMPLEMENTATION OF THE PLANS, OF THE POSSIBLE TIMING COINCIDENCE OF:

- i) said assignment or any decision taken by the Appointments and Compensation Committee in this regard, and*
- ii) the disclosure of any relevant information pursuant to Article 17 of Regulation (EU) No 596/2014; for example, where said information is:*
 - a. not already public and able to positively influence market listings, or*
 - b. already published and able to adversely affect market listings.*

Not applicable.

4. Characteristics of the instruments allocated

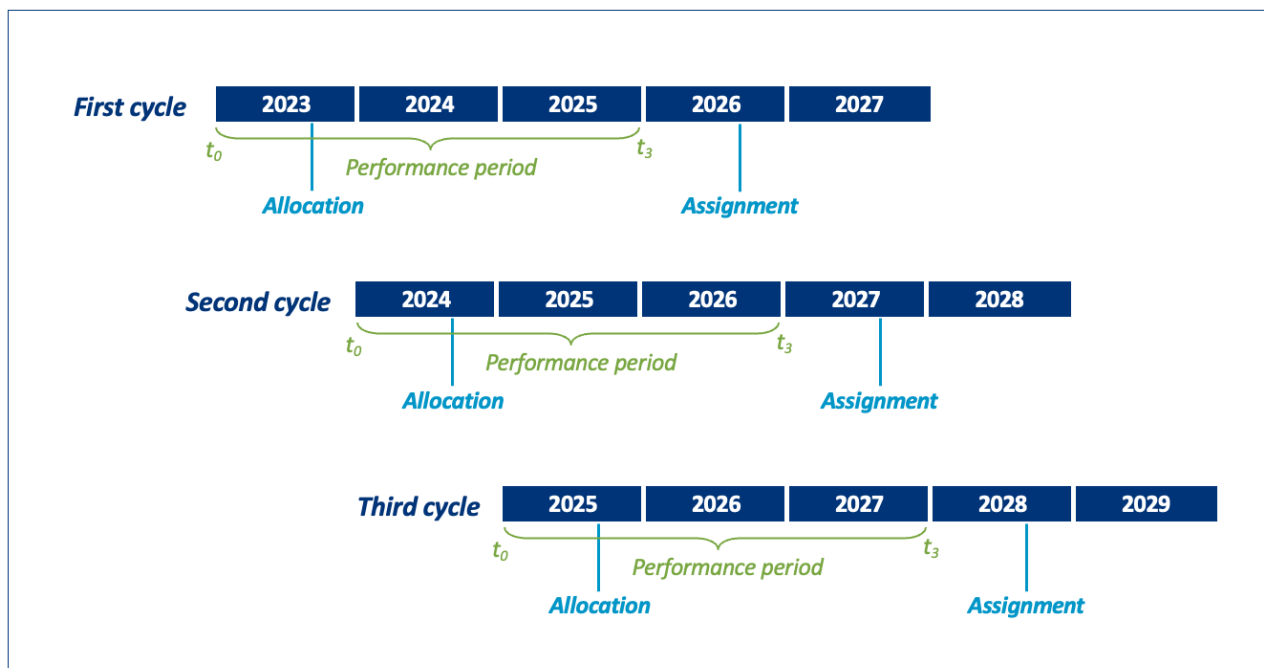
4.1 THE DESCRIPTION OF THE WAYS IN WHICH THE FINANCIAL INSTRUMENT-BASED PLANS ARE STRUCTURED.

The LTI Plan provides for three annual allocations of incentives in the form of cash, which may be disbursed after three years in an amount related to the performance conditions achieved in accordance with the pre-established criteria and parameters and other conditions laid down. In this respect, reference is also made to sections 4.2 and 4.5 below.

4.2 THE INDICATION OF THE PERIOD OF EFFECTIVE IMPLEMENTATION OF THE PLAN ALSO WITH REGARD TO ANY DIFFERENT CYCLES ENVISAGED.

The LTI Plan provides for three annual allocations for the period 2023-2025. Each allocation is subject to a three-year Vesting period and, consequently, any disbursement of incentives shall take place between 2026 and 2028, as described in the table below.

Performance and vesting period



4.3 THE PLAN TERMS.

The LTI Plan will end in 2027, at the end of the Vesting period of the last allocation scheduled for 2025.

4.4 THE MAXIMUM NUMBER OF FINANCIAL INSTRUMENTS, ALSO IN THE FORM OF OPTIONS, ASSIGNED IN EACH FINANCIAL YEAR IN RELATION TO THE ENTITIES IDENTIFIED OR THE SPECIFIED CATEGORIES.

Not applicable.

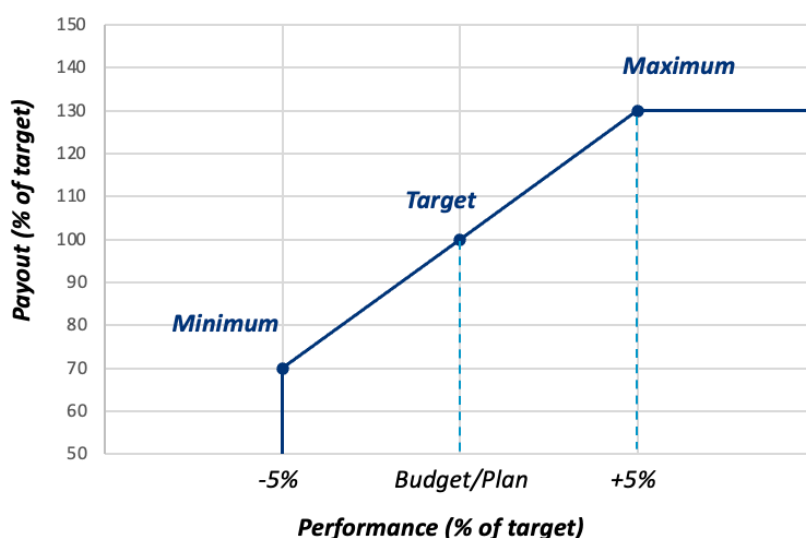
4.5 THE METHODS AND CLAUSES FOR THE IMPLEMENTATION OF THE PLAN, SPECIFYING IF THE EFFECTIVE ALLOCATION OF THE INSTRUMENTS IS SUBJECT TO CONDITIONS BEING MET OR GIVEN RESULTS BEING ACHIEVED, INCLUDING PERFORMANCE-RELATED; DESCRIPTION OF SAID CONDITIONS AND RESULTS.

The performance conditions of the Plan are verified at the completion of each three-year implementation period upon conclusion of the outcome of an accurate verification process of the

results actually achieved, carried out by the Appointments and Compensation Committee, to support the resolutions taken by the Board of Directors in this regard.

The performance conditions of the LTI Plan are linked to the following parameters:

- The consolidated Net Profit, with a weighting of 50%, calculated with reference to the three-year budget and Strategic Plan values. Performance is assessed according to a linear scale of 70-100-130 (0 for values below budget/Strategic Plan -5%; 70 for values at budget/Strategic Plan -5% - Threshold Level; 100 for values at budget/Strategic Plan - Target Level; 130 for values at or above budget/Strategic Plan +5% - Maximum level) as indicated below:



- TSR, with a 30% weighting, calculated on a 0-130 scale with reference to Italgas' positioning with respect to a Peer Group made up of Italgas itself and six other companies (A2A, Elia System Operator, Enagas, Red Elèctrica, Snam, Terna), as indicated below:

1st place	130
2nd place	120
3rd place	110
4th place	100
5th place	0
6th place	0
7th place	0

The TSR measures the overall yield of a share as the sum of the following two components:

1. price variation: equivalent to the ratio between the variation in the price of the share (difference between the price recorded at the end and beginning of the reference period) and the price recorded at the beginning of the same period. Initial price means the closing price of the share in the year preceding the reference year, and final price means the closing price in the reference year;
 2. dividend distribution: for the purposes of the Plan (without reinvestment of dividends), this component is equivalent to the ratio of the sum of the dividends distributed per share during the period considered to the initial share price.
- In terms of Sustainability, performance is assessed on the basis of two objectives:
 1. Reduction of CO₂ emissions - scope 1 and 2 compared to 2020 with constant scope. The target objective is the value defined in the Strategic Plan at the end of the three-year reference period. Performance is assessed according to a linear scale 70-100-130 (0 if the result is more than +0.5 points above the target value; 70 if it is equal to the target value +0.5 basis points - Threshold Level; 100 if it is equal to the target value set in the Strategic Plan - Target Level; 130 if it is equal to or greater than -0.5 basis points above the target value - Maximum Level);
 2. Reduction in net energy consumption compared to 2020 with constant scope. The target objective is the value defined in the Strategic Plan at the end of the three-year reference period. Performance is assessed according to a linear scale 70-100-130 (0 if the result is more than +0.6 points above the target value; 70 if it is equal to the target value +0.6 basis points - Threshold Level; 100 if it is equal to the target value set in the Strategic Plan - Target Level; 130 if it is equal to or greater than -0.6 basis points above the target value - Maximum Level).

At the end of each Vesting period, the final multiplier to be applied to the Incentive allocated is determined in order to establish the incentive to be disbursed, calculated as a weighted average of the results achieved for each objective.

This incentive may be disbursed in a percentage of between 0 and 130% of the Incentive allocated.

Finally, the Plan envisages the adoption of clawback mechanisms by way of the following clause: “Without prejudice to the right to compensation of any further damages, the Company, within the legal statute-barred term, may resume possession of the sums already paid out (with consequent obligation on the Participant to return the same) in the case in which it should be ascertained that the achievement of the goals is attributable to malicious or seriously negligent conduct or in any case in

breach of the relevant regulations (whether corporate, legal, legislative or of any other nature) by the Participant, or where the aforesaid goals have been achieved on the basis of data later proving to be clearly incorrect”.

4.6 THE INDICATION OF ANY RESTRICTIONS OF AVAILABILITY AFFECTING THE INSTRUMENTS ASSIGNED OR THE INSTRUMENTS RESULTING FROM THE EXERCISE OF OPTIONS, WITH SPECIFIC REFERENCE TO THE TERMS WITHIN WHICH THE SUBSEQUENT TRANSFER TO THE COMPANY OR THIRD PARTIES IS PERMITTED OR PROHIBITED.

Not applicable.

4.7 THE DESCRIPTION OF ANY TERMINATION CONDITIONS IN RELATION TO THE ALLOCATION OF THE PLANS IN THE EVENT THAT THE ADDRESSEES CARRY OUT HEDGING OPERATIONS THAT ANABLE THE NEUTRALISATION OF ANY PROHIBITIONS OF THE SALE OF THE FINANCIAL INSTRUMENTS ASSIGNED, ALSO IN THE FORM OF OPTIONS, OR OF THE FINANCIAL INSTRUMENTS RESULTING FROM THE EXERCISE OF SUCH OPTIONS.

Not applicable.

4.8 THE DESCRIPTION OF THE EFFECTS DETERMINED BY THE TERMINATION OF THE EMPLOYMENT.

In cases of consensual termination of the employment relationship of the Beneficiary or termination of the office, in cases that qualify as good leaver for the purposes of the LTI Plan Regulations, or loss of control by Italgas in the company of which the Participant is an employee, or transfer to a company that is not controlled by the company (or business unit) of which the Participant is an employee, occurring by the date on which the Board establishes the percentage of the Incentive actually accrued (as described in paragraph 4.5 above), with regard to each allocation the relative incentive shall be disbursed to those entitled to it in proportion to the period elapsing between the allocation and the occurrence of the aforesaid events, as well as in relation to any results achieved in that period.

In the event of the Participant's death occurring on or before the date on which the Board establishes

the percentage of the Incentive actually accrued (as described in paragraph 4.5 above), with regard to each allocation the relevant incentive shall be disbursed to the beneficiaries in the fixed amount of 100% of the Incentive allocated. In the event of unilateral termination of the employment relationship, either by the company or by the Participant, and in the cases governed as bad leaver by the LTI Plan Regulations (disciplinary dismissal, resignation not for just cause, revocation of the role of Director for just cause, resignation from the office of Director not for just cause), occurring during the Vesting period, with respect to each allocation the incentive shall not be disbursed.

4.9 THE INDICATION OF ANY OTHER CAUSES FOR THE CANCELLATION OF THE PLANS.

There are no grounds for cancellation of the LTI Plan.

4.10 THE REASONS IN RELATION TO THE POTENTIAL PROVISION FOR "REDEMPTION" BY THE COMPANY OF THE FINANCIAL INSTRUMENTS CONCERNED BY THE PLANS, PURSUANT TO ARTICLE 2357 ET SEQ. OF THE ITALIAN CIVIL CODE; THE BENEFICIARIES OF THE REDEMPTION, SPECIFYING IF IT IS INTENDED ONLY FOR SPECIFIC CATEGORIES OF EMPLOYEES; THE EFFECTS OF TERMINATION OF EMPLOYMENT ON SAID REDEMPTION.

Not applicable.

4.11 ANY LOANS OR OTHER BENEFITS TO BE GRANTED FOR THE PURCHASE OF SHARES PURSUANT TO ARTICLE 2358 OF THE ITALIAN CIVIL CODE.

Not applicable.

4.12 THE INDICATION OF ASSESSMENTS OF THE FORECAST BURDEN FOR THE COMPANY ON THE DATE OF THE RELATED ASSIGNMENT, AS CAN BE DETERMINED ON THE BASIS OF THE TERMS AND CONDITIONS ALREADY DEFINED, FOR THE TOTAL AMOUNT AND IN RELATION TO EACH INSTRUMENT OF THE PLAN.

The total expected spending over the three-year allocation period 2023-2025 for the implementation

of the Plan with reference to the three allocations is estimated to be approximately 6 million euros, if target level performance (100%) is achieved in each Vesting period.

4.13 THE INDICATION OF ANY DILUTION EFFECTS ON THE CAPITAL DETERMINED BY THE COMPENSATION PLANS.

Not applicable.

4.14 - 4.23 THE SECTION ON THE ALLOCATION OF SHARES AND STOCK OPTIONS IS NOT APPLICABLE.

4.24 SHARE ISSUERS ATTACH ANNEXED TABLE NO. 1 TO THE INFORMATIVE DOCUMENT.

Not applicable.