

2023

2023-2025 LONG-TERM SHARE-BASED INCENTIVE PLAN INFORMATION DOCUMENT



Snam is the leading European operator in natural gas transport, with a network of around 38,000 km in Italy and abroad. The company also deals with storage, of which it holds 17.1% of the European capacity, and regasification, with 6.5 billion cubic meters of gas that will rise to 16.6 billion cubic meters to 2024 due to the installation of regasification plants in Piombino and Ravenna. Snam is among the leading Italian listed companies by market capitalisation.

With its 80 years of experience in the development and management of infrastructure, Snam guarantees security of supply and promotes energy transition with investments in green gas (biomethane and hydrogen), energy efficiency and CCS (Carbon Capture and Storage) technology. It also creates new green areas through a benefit company focused on urban forestation projects.

Snam is committed, among the first companies in the energy sector, to achieving zero net greenhouse gas emissions (“Scope 1” and “Scope 2” emissions) by 2040. As of 2021, the company has set a reduction target on indirect “Scope 3” emissions compared to subsidiaries and suppliers by 2030. The corporate business model of the company is based on sustainable growth, transparency, the development of talent and diversity and the protection and social development of local communities.

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Drawn up pursuant to Article 114-bis of Legislative Decree no. 58 of 24 February 1998 (Consolidated Finance Act or "TUF") and Article 84-bis of the regulations adopted by Consob with resolution no. 11971 of 14 May 1999 as subsequently integrated and amended.

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INTRODUCTION

This information document has been prepared by Snam S.p.A, pursuant to Article 84-bis of the Issuers' Regulations and in line with the indications contained in the relevant Annex 3A - Scheme no. 7, with the aim of informing its shareholders and the market about the proposed adoption of the Long-Term Share-Based Incentive Plan 2023-2025 ("Share Plan" or "Plan"), approved by the Board of Directors of Snam on 15 March 2023, pursuant to Article 114-bis of the Consolidated Finance Act, by the Ordinary Shareholders' Meeting of 04 May 2023.

Since 2010, Snam has been using long-term incentive plans, approved annually by the Board of Directors at the proposal of the Remuneration Committee, for the CEO and the roles with the greatest impact on company results, in order to align their performance with the company's objectives over the medium to long term.

During 2023, the Appointments and Compensation Committee, in continuity with the actions undertaken in the last three-year period and with a view to creating the conditions for a greater alignment of long-term variable remuneration with the primary objective of creating value for shareholders, proposed to the Board of Directors to adopt for a part of the managers and key roles a plan based on the attribution of ordinary shares of the Company (so-called Performance Share), to be implemented subject to the approval of the Shareholders' Meeting.

The document presents the modalities and implementation clauses valid for the Share Plan. The latter includes an indicator measuring value creation, the Value Added, which ensures further alignment between management action and shareholder interest.

The Share Plan applies to Snam and its Subsidiaries, and is to be considered "of particular importance" pursuant to Article 84-bis, paragraph 2, of the Issuers' Regulations, as it is also addressed to the persons identified by Article 114-bis of the Consolidated Finance Act, the Chief Executive Officer and "Managers with Strategic Responsibilities" of Snam.

This information document is available to the public at Snam's registered office, as well as in the Governance section of the company's website www.snam.it (Section "Governance and Conduct" - "Shareholders' Meeting") as well as by the methods indicated in Article 84-bis of the Issuers' Regulation.

DEFINITIONS

Adjusted Net Profit: is obtained by excluding special items from reported net profit. The income components are classified under special items, if significant, when: (i) they result from non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of business; or (ii) they result from events or transactions which are not representative of the normal course of business.

Appointments and Compensation Committee: committee established by the Board of Directors of Snam S.p.A. consisting of three non-executive directors, the majority of whom are independent pursuant to the Consolidated Finance Act and the Corporate Governance Code, among whom the Chair is also identified. The Committee primarily performs investigative, propositional and advisory functions vis-à-vis the Board of Directors, with regard to its composition and size and with regard to equal treatment and opportunities between genders and remuneration. In particular, the Committee assists the Board of Directors in the preparation of the Remuneration Policy and in the periodic assessment thereof with respect to the adequacy, overall consistency and concrete application, as well as in the final accounting of the company results and formulates the proposals relating to the remuneration of the directors with particular duties and members of the internal board committees.

Beneficiaries: the recipients of the Plan.

Board of Directors: indicates the Board of Directors in its composition at the time of its appointment.

Claw-back: this refers to the contractual mechanism that provides for the possible restitution, even partial, of the Shares assigned, in cases where it is ascertained that the assignment is attributable to fraudulent or grossly negligent conduct or, in any case, conduct in breach of the reference standards (whether corporate, legal, regulatory or from any other source) by the Beneficiary, or where the objectives were achieved on the basis of data that subsequently proved to be manifestly incorrect.

Chief Executive Officer: the Chief Executive Officer of Snam S.p.A..

Consolidated Finance Act (TUF): the “Consolidated Law on Financial Intermediation” is Legislative Decree no. 58 of 24 February 1998 (as amended). The Consolidated Finance

Act has introduced legislation on financial matters based on principles, which sets out only the general guidelines at the level of primary legislation, leaving the definition of detailed rules to the Supervisory Authorities (e.g. CONSOB).

Dividend Equivalent: consists of an additional number of shares assigned to beneficiaries at the end of the value vesting period equivalent to the ordinary and extraordinary dividends distributed by Snam during the vesting period that would have been due on the number of shares actually assigned to the beneficiaries, based on the performance levels achieved, in accordance with the terms and conditions provided by the Plan.

Energy Transition Readiness Metric: metric aimed at promoting acceleration towards energy transition projects and objectives in support of sustainable value creation for the country system. The indicator is represented by three different parameters: 1) third-party certification of the “H2 ready” status of a portion of KM of the grid; 2) the development of MW installed in the Biomethane business; 3) the development of decarbonization projects and definition of the H2 and CCS business model and market design.

ESG Metric: metric aimed at increasing the Group’s sustainability on several dimensions: in particular environmental, social and gender diversity. The indicator is represented by two different parameters aimed, respectively, at appreciating the reduction of natural gas emissions and at guaranteeing a fair representation of the gender least present in the Snam management team.

Incentive Attributed: this is the number of shares, that may be assigned, attributed to the Beneficiaries, assuming that the Target level is reached, and which may actually be assigned at the end of a pre-established period (vesting period) according to pre-established performance and retention conditions.

Incentive Assigned: this is the number of shares actually assigned to the beneficiaries at the end of the pre-established period (vesting period) to an extent related to the performance levels achieved in accordance with the terms and conditions of the Plan.

Issuers' Regulations: this is the CONSOB regulation no. 11971 of 14 May 1999 (and subsequent amendments), containing the rules relating to issuers of financial instruments.

Lock Up: indicates the time period during which the assigned shares are subject to restrictions of sale and/or transfer.

Managers with Strategic Responsibilities: individuals who have the power and responsibility, directly or indirectly, for planning, managing and controlling the company's activities, including directors (executive or not) as identified in Article 65, paragraph 1-quater, of the Issuers' Regulations, which refers to the definition contained in Annex 1 to Consob Regulation no. 17221 of 12 March 2010 containing provisions relating to transactions with related parties, as subsequently amended. Snam managers with strategic responsibilities, other than Directors and Statutory Auditors, are, as of the date of publication of this Information Document, the following (unless this perimeter subsequently changes): Chief Financial Officer; Chief Industrial Assets Officer; Executive Vice President Human Resources & Organization & PFM.

Maximum Level¹: represents the result level which, when achieved, entitles to obtain 133% of the incentive attributed (cap) and above which no further over-achievement is recognized.

Minimum Level¹: represents the result level which, when achieved, entitles to obtain 67% of the incentive attributed (threshold) and below which the Plan does not provide for the assignment of any incentive.

Performance Conditions: indicate the performance indicators of the Plan: 1) Value Added (weight 20%); Adjusted Net Profit (weight 40%); 3) Energy Transition Readiness metric (weight 20%); ESG metric (weight 20%).

Performance Period: a three-year period that includes the tax year during which the date on which the

incentive is granted falls, as well as the two subsequent tax years.

Regulation: the document approved once a year by the Board of Directors, on the proposal of the Appointments and Compensation Committee, which regulates, with reference to each three-year cycle of the Plan, the conditions for each annual attribution of the Share Plan.

Relationship: means the directorship or employment relationship existing between the Beneficiary and Snam S.p.A..

Share(s): indicates the ordinary share issued by Snam S.p.A., listed on the Borsa Italiana S.p.A. electronic share market, ISIN code IT0003153415.

Shareholders' Meeting: indicates the Ordinary Shareholders' Meeting.

Share Plan or Plan: means the Long-Term Share-Based Incentive Plan, consisting of this document.

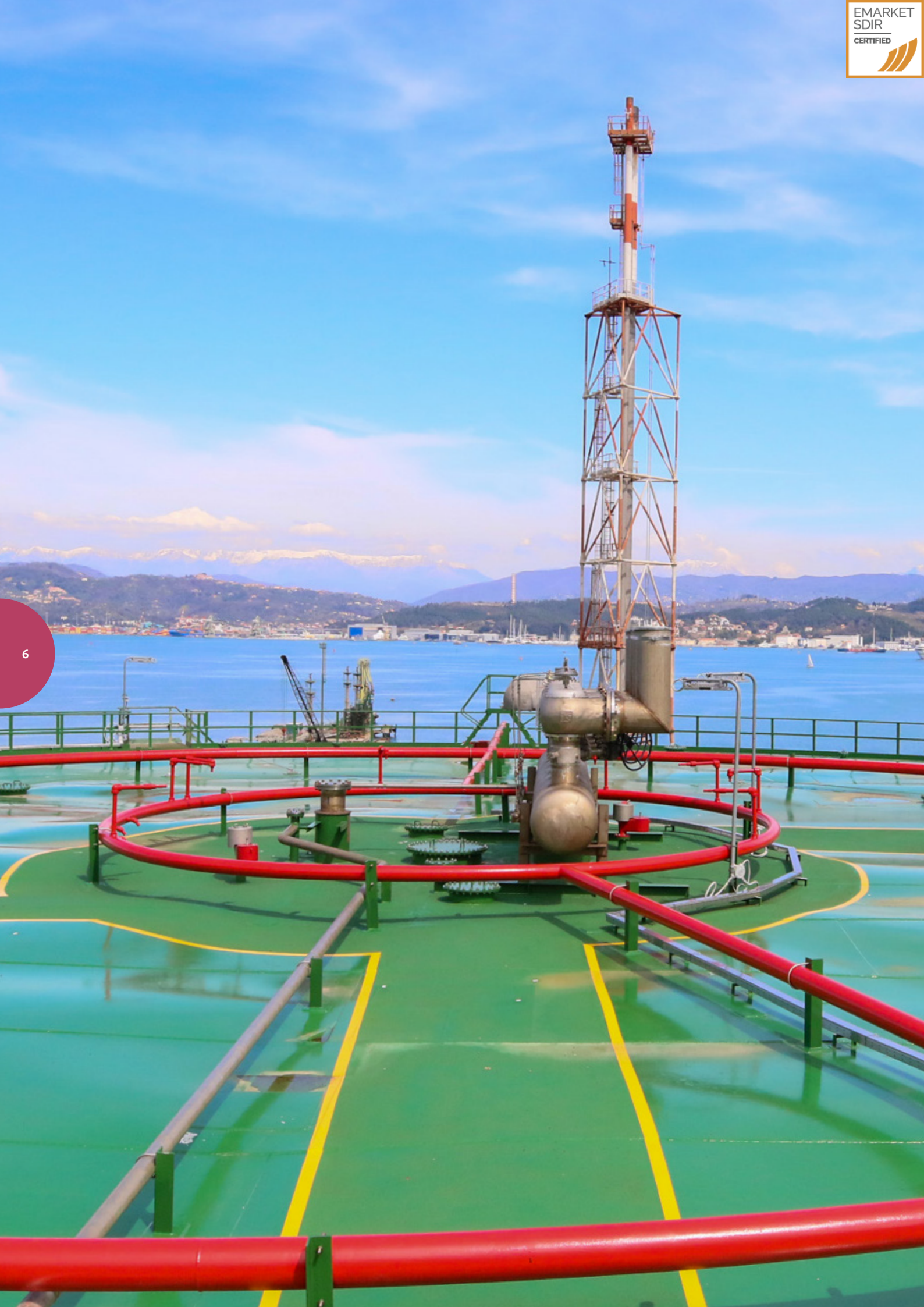
Subsidiaries: Subsidiaries of Snam S.p.A. pursuant to Article 2359 of the Italian Civil Code.

Target Level¹: represents the result level which, when achieved, entitles to obtain 100% of the incentive attributed (target).

Value Added: the value generation of the adjusted business calculated as the change in RAB in the reporting period, plus dividends distributed, treasury shares repurchased and reduced by the change in net debt.

Vesting (Vesting Period): period running between the attributed and completion of the ownership of the right to receive the reward.

¹ Data are rounded to the nearest unit (downwards in the case of zero to four digits and upwards in the case of five to nine digits) for the purposes of representative convention only. The Company has established precise approximation rules within its formal methodology for determining the attribution of the Chief Executive Officer's LTI 2020-2022 long-term equity incentive plan (2020-2022 cycle).



1. BENEFICIARIES

1.1 The names of the beneficiaries who are members of the Board of Directors or the management board of the financial instruments issuer, of the issuer's parent companies and of the companies directly or indirectly controlled by the issuer

The Plan applies to the Chief Executive Officer and General Manager of Snam, currently identified as Stefano Venier. If, among the beneficiaries referred to in point 1.2 below, there are individuals who must be identified by name, in accordance with current regulatory provisions, also in relation to the position of Director held in Subsidiaries, the Company will provide the market with the relevant information, during the communications provided for by Article 84-bis, paragraph 5, of the Issuers' Regulations.

1.2 The categories of employees or collaborators of the issuer of the financial instruments and of the companies controlling or controlled by that issuer

The Plan is aimed at managers and key roles in Snam and its Subsidiaries, identified by the CEO of Snam among those who hold roles with the greatest impact on the achievement of medium-long term business results or with strategic importance for the purposes of achieving Snam's multi-year objectives, as well as any additional positions identified in relation to the performance achieved, the skills possessed or in terms of retention. The maximum number of beneficiaries per three-year cycle is 100.

1.3 The names of the beneficiaries of the plan belonging to the following groups

- a) *General managers of the financial instruments issuer;*
Not applicable since there are no General Managers other than the Chief Executive Officer already mentioned by name in point 1.1.
- b) *Other Managers with Strategic Responsibilities of financial instruments issuer which is not of "minor size",*

pursuant to Article 3, paragraph 1, letter f), of Regulation no. 17221 of 12 March 2010, in the event that they have received during the financial year a total compensation (obtained by summing the monetary compensation and the compensation based on financial instruments) greater than the highest total compensation among those attributed to the members of the Board of Directors, or of the Management Board, and to the general managers of the financial instrument issuers;

Not applicable.

During the year, none of Snam's Managers with Strategic Responsibilities received total compensation greater than the highest total compensation (CEO's compensation) among those attributed to members of the Snam Board of Directors.

- c) *Natural persons controlling the share issuer, who are employees or who work as collaborators in the share issuer.*

Not applicable.

1.4 Description and numerical indication, separated into categories

- a) *Of Managers with Strategic Responsibilities other than those indicated in letter b) of paragraph 1.3;*

There are 3 Managers with Strategic Responsibilities at Snam as of the date of publication of this Information Document.

- b) *In the case of "minor size" companies, pursuant to Article 3, paragraph 1, letter f), of Regulation no. 17221 of 12 March 2010, the aggregate indication of all the Managers with Strategic Responsibilities of the financial instruments issuer;*

Not applicable.

- c) *Of any other categories of employees or collaborators for whom different characteristics of the plan have been established (e.g. executives, managers, office workers, etc.).*

The incentive scheme established by the Plan is the same for all Beneficiaries, differing only in the value of the Incentive Attributed, which increases in relation to the role held, the responsibilities assigned and the strategic nature of the resource.

2. REASONS FOR ADOPTING THE PLAN

2.1 The objectives intended to be achieved by the attribution of the plans

The Plan is an incentive and loyalty-building tool for the company's key resources and is aimed at ensuring, in line with national and international best practices, the following objectives:

- create a greater alignment between the interests of the Beneficiaries and the interests of the shareholders in the medium-long term, not only through the payment of the premium in shares, but also through the correlation of part of the same equity premium to the Value Added generated in the three-year period;
- support medium-long term corporate profitability through the use of Adjusted Net Profit measured over the three-year period;
- enable the acceleration of the energy transition process by focusing on a set of "Energy Transition Readiness" targets;
- combine the company's economic-financial performance with sustainability objectives (ESG);
- focus management on the achievement of medium-long term business objectives in a logic of sustainable economic and financial performance;
- enhancing diversity and equal opportunities in human resource management, supporting the creation of a more balanced pipeline, where the least present gender is equally represented;
- support the retention strategy of managers and key roles by improving Snam's competitiveness on the labour market.

Considering that the creation of value for the Shareholders in the medium-long term is the primary objective of the Company, the Board of Directors believes that the Plan - based on the vesting of the right to the free assignment of shares in the medium-long term and on Performance Objectives related to the creation of value, the economic-financial results and the sustainability of the Group Snam - aligning the interests of the management with those of the Shareholders, represents the most effective incentive and loyalty-building tool that best meets the interests of the Company.

The Plan provides for a three-year Vesting Period for each annual attribution, in line with national and international best practices.

2.2 Key variables, also in the form of performance indicators considered for the attribution of plans based on financial instruments²

The amount of the target equity incentive attributed to each beneficiary is differentiated in relation to the level of responsibility/criticality of the role, also in consideration of market practices.

For all the Performance Objectives, the Plan provides for the grant of Shares to the Chief Executive Officer, at a minimum level (threshold) equal to 67% of the shares attributed, at a target level equal to 100% of the shares granted, with a maximum variance (cap) of 133%.

It results from this that for the CEO, the equivalent value of the minimum incentive attributed is 106%, the target incentive attributed is 158%, while the equivalent value of the maximum incentive is 210% of the CEO's fixed remuneration.

For the other beneficiaries, the amount of the target equity incentive attributed will be determined during the implementation of the Plan by the Chief Executive Officer, subject to approval of the plan by the Shareholders' Meeting.

The Plan's Performance Conditions are linked to the following parameters:

- Adjusted Net Profit cumulated in the three-year period corresponding to the Performance Period, with a weight of 40%;
- Value Added generated in the three-year period corresponding to the Performance Period, with a weight of 20%;
- Energy Transition Readiness Metric, with an overall weight of 20%, declined through the following parameters: 1) "H2 ready" grid KM (weight 10%); 2) installed MW related to biomethane (weight 5%); 3) CSS - H2 projects and market design (weight 5%);
- ESG Metric, with a weight of 20%, measured through the results achieved with respect to 2 indicators measured basing on a three-year period, aimed at 1) reducing natural gas emissions in the next three years (10% weight); 2) ensuring fair representation of the least

² Data are rounded to the nearest unit (downwards in the case of zero to four digits and upwards in the case of five to nine digits) for the purposes of representative convention only. The Company has established precise approximation rules within its formal methodology for determining the attribution of the Chief Executive Officer's LTI 2020-2022 long-term equity incentive plan (2020-2022 cycle).

represented gender in Snam's management team (10% weight), in terms of % of the least represented gender of executives and middle managers out of the total number of executives and middle managers in the Snam Group.

2.3 Elements for determining the amount of compensation based on financial instruments, i.e. the criteria for its determination

2.3.1 More detailed information

Incentive levels are defined, in terms of the number of Shares that can be assigned upon achievement of the Target Level, in accordance with the following remuneration policy principles adopted by Snam:

- remuneration structure for managerial positions and key roles adequately balanced between: a fixed component consistent with the powers and/or responsibilities assigned; a variable component defined within maximum limits and aimed at linking remuneration to the performance actually achieved;
- consistency of total remuneration with respect to market references applicable for similar positions or for roles with a similar level of responsibility and complexity, within corporate panels comparable with Snam;
- variable remuneration for managerial positions and key roles strictly linked to medium-long term performance, in continuity with the remuneration offer provided for in the previous Plan.

2.4 The reasons underlying the decision to attribute compensation plans based on financial instruments not issued by the financial instruments issuer, such as financial instruments issued by subsidiaries or, parent companies or third party companies with respect to the group to which it belongs; if the aforesaid instruments are not traded on regulated markets, information on the criteria used to determine the value attributable to them

Not applicable.

2.5 Assessment of significant taxation and accounting implications that affected the definition of the plans

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

2.6 The possible support of the plan by the Special Fund for encouraging worker participation in enterprises, referred to in Article 4, paragraph 112, of law no. 350 of 24 December 2003

Not applicable.

3. APPROVAL PROCESS AND INSTRUMENTS ASSIGNING TIMING

3.1 Scope of the powers and functions delegated by the Shareholders' Meeting to the Board of Directors for the purpose of implementing the Plan

On 15 March 2023, the Snam Board of Directors resolved, at the proposal of the Appointments and Compensation Committee and with the abstention of the CEO, to submit the Plan to the Shareholders' Meeting for approval pursuant to Article 144-bis of the Consolidated Finance Act.

Following approval by the Shareholders' Meeting, the Board of Directors, in accordance with the powers conferred on it by the Shareholders' Meeting, will implement the Plan, also through persons delegated to do so, resolving on: i) the annual attribution of the incentive in favour of the Chief Executive Officer; ii) approval of the Regulations for each annual attribution; iii) identification of the Beneficiaries on the basis of the criteria defined; iv) as well as any other terms and conditions for implementation provided that this does not conflict with the decisions of the Shareholders' Meeting.

3.2 Indication of the persons appointed to administer the plan and their function and responsibilities

The administration of the Plan is entrusted to the Human Resources & Organization Function.

3.3 Existing procedures, if any, for reviewing the plans also in relation to possible changes in the basic objectives

Without prejudice to the powers of the Shareholders' Meeting in the cases provided for by law, the Board of Directors, after hearing the opinion of the Appointments and Compensation Committee, is the body responsible for making any amendments to the Plan.

During the implementation of the Plan, the Board of Directors will determine, on the proposal of the Appointments and Compensation Committee, the Regulations of the Plan itself, which will include, among other matters, the procedures, terms and conditions for revising the Plan. These procedures may provide for the right for the Board of Directors, on the proposal of the Appointments and Compensation Committee,

to modify the Performance Conditions of the Plan in the presence of extraordinary and/or unforeseeable situations or circumstances that may significantly affect Snam's results and/or the scope of its activities, subject to compliance with the provisions of the Remuneration Policy approved on each occasion by the Shareholders' Meeting.

With the abstention of the Chief Executive Officer, the Board of Directors may make all changes it deems appropriate to the Plan, in order to bring the Plan in line with provisions of the law, regulations and orders issued by Italian and foreign authorities, as well as to correct any inconsistencies, defects or omissions of the Regulation and/or Plan.

3.4 Description of the methods used to determine the availability and assignment of the financial instruments on which the plans are based

The Plan envisages the free assignment of a variable number of Shares, depending on the individual attribution and the degree to which the Plan Performance Conditions are achieved.

The Shares will be assigned using Treasury shares deriving from purchases made by the Company pursuant to Article 2357 and following of the Italian Civil Code. In this regard, the Board of Directors resolved to submit to the Shareholders' Meeting of 04 May 2023 the proposal to authorize the purchase and/or disposal of Treasury Shares also to be used for the Plan.

3.5 The role played by each director in determining the characteristics of the above-mentioned plans; the possible occurrence of situations of conflict of interest for the directors concerned

Consistently with the recommendations of the Corporate Governance Code for listed companies, to which Snam adheres, the terms of the Plan were defined at the proposal of the Appointments and Compensation Committee. The proposal to submit the Plan to the Shareholders' Meeting, pursuant to Article 114-bis of the Consolidated Finance Act, was then approved by the Board of Directors, with the CEO abstaining, after receiving the favourable opinion of the Board of Statutory Auditors pursuant to Article 2389, paragraph

3, of the Italian Civil Code. The Plan, in relation to its beneficiaries, constitutes a transaction with related parties subject to approval by the Shareholders' Meeting pursuant to Article 114-bis of the Consolidated Finance Act, for which the specific procedures established by Consob Resolution no. 17221 of 12.3.2010 and subsequently amended by Resolution no. 17389 of 23 June 2010 ("Related Parties Transaction Regulations") do not apply.

3.6 For the purposes of the requirements of Article 84-bis, paragraph 1, the date of the decision taken by the body responsible for proposing the approval of the plans to the shareholders' meeting and the proposal of the remuneration committee, if any

On 15 March 2023, the Board of Directors, following a proposal made by the Appointments and Compensation Committee on 14 March 2023, resolved to submit the Plan to the Shareholders' Meeting for approval.

3.7 For the purposes of the requirements of Article 84-bis, paragraph 5, letter a), the date of the decision made by the relevant body regarding the assignment of the instruments and the proposal, if any, to the aforementioned body formulated by the remuneration committee, if present

The Plan and the financial instruments for its implementation are submitted for approval to the Shareholders' Meeting convened on 04 May 2023. Following the Shareholders' Meeting, if the Plan is approved, the Board of Directors will meet to take the decisions relevant to the implementation of the Plan.

3.8 The market price, recorded on the aforementioned dates, for the financial instruments on which the plans are based, if traded on regulated markets

Notwithstanding the fact that, as of the date of this Information Document, the Plan has not yet been approved by the Shareholders' Meeting, the official Snam share price as of 15 March 2023 (the date on which the Board of Directors approved the Plan proposal to be submitted to the Shareholders' Meeting) was equal to Euro 4.602 while the official Snam share price on 14 March 2023 (the date on which the Nominations and Remuneration Committee formulated the Plan proposal) was equal to Euro 4.680.

3.9 In the case of plans based on financial instruments traded on regulated markets, under what terms and according to what procedures does the issuer take into account, in identifying the timing of the assignment of the instruments in implementation of the plans, the possible coincidence in time between:

- i) said assignment or decisions taken in this regard by the Appointments and Compensation Committee, and ii) the disclosure of relevant information pursuant to Article 114, paragraph 1; for example, if such information is:
 - a) not already public and capable of positively influencing market prices, or
 - b) already published and capable of negatively influencing market prices.

Decisions on the attribution of the Plan will be taken on one or more occasions by the Board of Directors, subject to approval of the Plan by the Shareholders' Meeting, after hearing the opinion of the Appointments and Compensation Committee and the Board of Statutory Auditors, in accordance with current legislation. It should be noted that the right of beneficiaries to receive shares will accrue after a three-year vesting period and only upon achievement of pre-determined Performance Conditions.

4. THE CHARACTERISTICS OF THE INSTRUMENTS ATTRIBUTED

4.1 Description of the forms in which share-based compensation plans are structured

The Plan provides for three annual attributions of the right to receive a target number of shares that may actually be assigned after three years and to an extent related to the Performance Conditions achieved according to the pre-established criteria and parameters and the other conditions set out in the Plan.

The target number of shares to be attribution is determined by dividing the incentive by the average share price recorded in the month preceding the attribution.

It is also envisaged that an additional number of shares will be assigned - defined as "dividend equivalents" - according to the shares effectively

assigned at the end of the vesting period. The number of additional shares to be attributed is determined by dividing the sum of the dividends distributed in the vesting period by the average price of the share recorded in the month prior to the assignment.

4.2 Indication of the period of actual implementation of the plan with reference also to different cycles provided, if any

The Plan provides for three annual attributions for the period 2023-2025. Each attribution is subject to a three-year vesting period and consequently any effective assignment of shares takes place between 2026 and 2028, as shown below:

Attribution	Performance Period	End of Vesting Period	Shares Assignment
2023	2023-2025	2026	2026
2024	2024-2026	2027	2027
2025	2025-2027	2028	2028

For the Chief Executive Officer and the other Plan Beneficiaries, it is envisaged that 20% of the shares assigned, gross of those required to fulfil tax requirements, shall be subject to a Lock up period. Assigned shares subject to Lock up may not be transferred and/or sold for a period of 24 months from the end of the vesting period. The Lock up does not apply to additional shares granted to beneficiaries as dividend equivalent.

4.3 Plan termination

The Plan will be concluded in 2028, upon expiry of the vesting period for the last attribution envisaged in 2025.

4.4 The maximum number of financial instruments, including in the form of options, assigned in each fiscal year in relation to the persons identified by name or the categories indicated

The Board of Directors has determined that a maximum of 3,500,000 Shares will be used for each three-year cycle of the Plan.

4.5 The methods and clauses for implementing the plan, specifying whether the actual attribution of the instruments is subject to the occurrence of conditions or the achievement of certain results, including performance results; description of such conditions and results

The actual vesting of the attributed Shares is subject to the achievement of specific Performance Conditions, which are verified for all Beneficiaries at the end of each three-year period of implementation following an accurate verification process of the results actually achieved by the

Appointments and Compensation Committee, to support the resolutions passed on the matter by the Board of Directors.

Achievement of the Performance Conditions at the pre-determined target level results in the vesting of 100% of the shares granted, while achievement of the Performance Conditions at the pre-determined maximum (cap) level results in the vesting of 133% of the shares granted. Finally, the achievement of the Performance Conditions at the minimum set level (threshold) results in the vesting of 67% of the shares attributed. For intermediate results between the minimum, target and maximum achievement levels, the percentage of shares attributed will accrue according to a progression and linear interpolation criterion.

The Performance Conditions valid for the first attribution of the Plan (2023) are summarized in the table below:

	Objective ^(*)	Description	Weight	Scenarios	Performance (absolute values)	Performance (% vs. target)	Payout (% of right accrued)
Business Objectives	Adjusted Net Profit	Calculated as the sum of Adjusted Net Profit for 2023, 2024 and 2025.	40%	Minimum	Euro 3,271 million	99%	27%
				Target	Euro 3,304 million	100%	40%
				Maximum	Euro 3,386 million	102%	53%
	Value Added	Reflects the value generation of the regulated business calculated as the change in RAB in the period 2023-2025, plus dividends distributed, treasury shares repurchased and reduced by the change in net debt ^(**) .	20%	Minimum	Euro 3,132 million	98%	13%
				Target	Euro 3,198 million	100%	20%
				Maximum	Euro 3,297 million	103%	27%
	Energy Transition Readiness/1 Km H2 ready	Third-party certification on "H2 Ready" status of a portion of the km.	10%	Minimum	2,000 Km	83%	7%
				Target	2,400 Km	100%	10%
				Maximum	2,800 Km	117%	13%
	Energy Transition Readiness/2 MW installed biomethane	Development base MW installed in the Biomethane business.	5%	Minimum	60 MW	75%	3%
				Target	80 MW	100%	5%
				Maximum	100 MW	125%	7%
	Energy Transition Readiness/3 Projects and market design CCS H2	Development of decarbonization projects and definition of the H2 and CCS business model and market design.	5%	Minimum	1 out of 6 milestone reached	33%	3%
				Target	3 out of 6 milestones reached	100%	5%
				Maximum	4 out of 6 milestones reached	133%	7%
Sustainability Objectives	Sustainability/1 Reducing natural gas emissions	Reduction of natural gas emissions in 2025 compared to 2015 values (bln/Smc) ^(***) .	10%	Minimum	-55.2%	98%	7%
				Target	-56.4%	100%	10%
				Maximum	-57.7%	102%	13%
	Sustainability/2 Gender Diversity in Management	Equal representation in terms of gender diversity in the management team of Snam ^(****) .	10%	Minimum	25.5%	96%	7%
				Target	26.5%	100%	10%
				Maximum	28%	106%	13%

^(*) The objective achievement level is calculated according to a linear interpolation criterion between minimum, target and maximum values.

^(**) The change in net debt is calculated excluding changes to working capital connected with regulatory dynamics and considering changes to commercial working capital.

^(***) Higher than recommended by the Oil & Gas Methane Partnership Framework (OGMP 2.0) prepared by the United Nations Environment Program (UNEP).

As a result of this, the targets of this objective were aligned with as envisaged in the Company's aforementioned emissions reduction plan. In the event of changes and/or variations of the Company's emission reduction plan, the targets of the emission reduction target of the LTI Plan Cycles will be adjusted and re-measured, depending on the achievement of the final target under the UNEP Framework.

^(****) The Perimeter used is equal to the 2022-2024 cycle of the LTI 2020-2022 Plan: SNAM S.P.A., RETE GAS, 4MOBILITY, GAS & ENERGY SERVICES, INTERNATIONAL B.V., GNL ITALIA, STOGIT, CUBOGAS, ENURA, GASRULE, IES BIOGAS SRL, RENERWASTE LODI, RENERWASTE, TEP, TE.

³ Data are rounded to the nearest unit (downwards in the case of zero to four digits and upwards in the case of five to nine digits) for the purposes of representative convention only. The Company has established precise approximation rules within its formal methodology for determining the attribution of the Chief Executive Officer's LTI 2020-2022 long-term equity incentive plan (2020-2022 cycle).

The Report on remuneration policy and remuneration fees sets out in detail how the Plan will be implemented. In the first section of the Report on remuneration policy and remuneration fees of each year, full disclosure will be given of any changes for subsequent attribution.

Finally, the Plan provides for the adoption of Claw-back mechanisms: without prejudice to the right to compensation for any further damage, the Company may, within the statutory limitation period, regain possession (with the consequent obligation to return to the Beneficiary) of the equivalent value of the shares assigned at the time of their actual assignment, including the equivalent value of the shares assigned as dividend equivalent, if it is established that the achievement of the objectives is due to fraudulent or grossly negligent conduct or in any case in violation of the relevant rules (whether corporate, legal, regulatory or from any other source) by the Beneficiary, or if the aforementioned objectives were achieved on the basis of data that subsequently proved to be manifestly incorrect.

4.6 Indication of any restrictions on the availability of the instruments assigned or on the instruments deriving from the exercise of the options, with particular reference to the terms within which the subsequent transfer to the company or to third parties is permitted or prohibited

For the Chief Executive Officer and the other Beneficiaries of the Plan, 20% of the shares assigned, gross of those required to meet tax obligations, are subject to a Lock up period. Assigned shares subject to Lock up may not be transferred and/or sold for a period of 24 months from the end of the vesting period. The Lock up does not apply to additional shares granted to beneficiaries as dividend equivalent.

4.7 The description of possible termination conditions in relation to the assignment of the plans in the event that the beneficiaries carry out hedging operations that allow to neutralise possible prohibitions on 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

There are no termination conditions if the beneficiaries carry out hedging transactions to neutralise the effects of the prohibition on selling the shares assigned.

4.8 Description of the effects caused by the termination of employment

The assignment of shares presupposes a constant employment relationship and the actual performance of work activities. During the implementation of the Plan, the Regulations to be determined by the Board of Directors on the proposal of the Appointments and Compensation Committee, will detail the effects caused by a possible termination of employment.

In particular:

- In the event of mutually agreed termination of the beneficiary's employment relationship, or loss of control by Snam S.p.A. in the company of which the Beneficiary is an employee, or sale to a company that is not a subsidiary of the parent company (or business unit) of which the Beneficiary is an employee, occurring by the date on which the Board of Directors establishes the percentage of the award, the incentive shall be awarded to those entitled to it at the end of the performance measurement period and in relation to the period between the award and the occurrence of the aforementioned events;
- In the event of the death or total and permanent disability of the Beneficiary occurring on or before the date on which the Board of Directors determines the percentage of the assignment, the incentive shall be paid to the entitled parties in the fixed amount of 133% of the attributed incentive, corresponding to the maximum level of the assignable incentive;
- In the event of unilateral termination of employment, either by the company or by the beneficiary, occurring during the vesting period, the incentive will not be assigned.

4.9 Indication of any other causes of cancellation of the plans

Any causes for cancellation of the Plan will be specified in the Regulations during the Plan implementation phase.

4.10 The reasons for any provision for “redemption” by the Company of the financial instruments covered by the plans, pursuant to Articles 2357 et seq. of the Italian Civil Code; the beneficiaries of the redemption, indicating whether it is intended only for particular categories of employees; the effects of termination of employment on the redemption

There is no right of redemption of shares by the Company.

4.11 The loans or other facilities, if any, intended to be granted for the purchase of the shares pursuant to Article 2358 of the Italian Civil Code

No loans are to be granted.

4.12 Indication of the estimated cost to the Company at the date of the relevant assignment, as determinable on the basis of terms and conditions already defined, by total amount and in relation to each instrument of the plan

At present, on the basis of the terms and conditions already defined, it is provided that the maximum number of shares that may be assigned upon achievement of the maximum performance level for all Performance Conditions for each attribution cycle, including shares assigned as dividend equivalent, is 3,500,000 Shares.

4.13 Indication of possible capital dilution effects caused by the compensation plans

At present, no dilution effects on the share capital are provided for, as the share capital for the Plan will be constituted according to the provisions of paragraph 3.4 above.

4.14 Possible limits on the exercise of voting rights and the attribution of property rights

The shares assigned will have regular dividend rights, since there are no limits on the exercise of the corporate or property rights pertaining to them.

4.15 If the shares are not traded on regulated markets, all information useful for a full evaluation of the value attributed to them shall be provided

Not applicable, as the shares are admitted to trading on the Mercato Telematico Azionario (Electronic Stock Market) organised and managed by Borsa Italiana S.p.A..

4.16 - 4.23

The section relating to the attribution of stock option plans is not applicable as the Plan concerns the attribution of shares.

4.24 Share issuers shall attach Table 1 to the information document

The following table shows the information set out in Section 2, Schedule 1 of the table in Scheme 7 of Annex 3A of the Issuers' Regulations, based on the characteristics already defined by the Company's Board of Directors.

The table will be more detailed at the time of implementation of the Plan and further information will be made available in accordance with the procedures and terms set out in Article 84-bis, paragraph 5, letter a) of the Issuers' Regulations.

NEWLY ASSIGNED INSTRUMENTS BASED ON THE BOARD OF DIRECTORS' DECISION FOR PROPOSAL TO THE SHAREHOLDERS' MEETING								
Surname and first name or category	Office held (to be indicated only for persons listed by name)	Date of shareholders' meeting resolution	Type of financial instruments	Number of financial instruments	Date of assignment	Possible purchase price of the instruments	Market price on the date of assignment	Period of vesting
Stefano Venier	Chief Executive Officer			TBD				
Managers with Strategic Responsibilities		04 May 2023	Shares of Snam S.p.A.	TBD	TBD	n.a.	n.a.	Three-year
Other Beneficiaries				TBD				



By
Snam

Concept & Design
ACC & Partners

Layout
ACC & Partners

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May 2023 ●

       • [snam.it](https://www.snam.it)