

2022

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

SUSTAINABLE THINKING



Energy to inspire the world

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.

2022

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

SUSTAINABLE THINKING

INTRODUCTION

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Information on the corporate governance system and ownership structure of Snam S.p.A. (“**Snam**” or the “**Company**”) contained in this Report refer, unless otherwise expressly indicated, to the 2022 financial year¹, except as provided for in Section V in respect of any changes occurring after the end of the financial year.

Since its listing in 2001 on the *mercato telematico azionario* (now Euronext Milan), organised and managed by Borsa Italiana, Snam has been compliant with the recommendations of the Corporate Governance Code – lastly amended in January 2020 – in its various successive versions published over time². Annex 1 of Section VI – Summary Tables, contains a checklist for identifying the sections of the Report which indicate whether or not Snam applies each principle and recommendation of the Corporate Governance Code.

Contacts

Snam values discussion with its investors and aims to establish a constructive dialogue to ensure constant improvement in Snam’s entity in multiple respects; therefore, it invites readers to use the contact details specified below for clarifications or requests for information:

Legal, Governance, Compliance & ERM

Tel: +39 02.3703.7435

Fax: +39 02.3703.7631

Corporate Affairs

segreteriasocietaria@snam.it

¹ Pursuant to Article 123-bis, paragraphs 1, 2 and 3 of Legislative Decree No. 58 of 24 February 1998.

² The adoption of the Corporate Governance Code is voluntary and issuers may decide not to apply all or part of its recommendations. However, the reasons for any non-application must be indicated in the report on corporate governance, in accordance with the comply-or-explain principle set forth in Article 123-bis, paragraph 2, lett. a), of the Consolidated Financial Act and in the same Corporate Governance Code.

GLOSSARY

ARERA: Autorità di Regolazione per Energia Reti (the Italian Regulatory Authority for Energy, Networks and Environment)

Borsa Italiana: Borsa Italiana S.p.A.

Corporate Governance Code: corporate governance code approved in January 2020 by the Corporate Governance Committee, promoted by Borsa Italiana, ABI, ANIA, Assogestioni, Assonime and Confindustria. The Code is applicable from the first financial year beginning after 31 December 2020. The text is available at: <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020-eng.en.pdf>

CRRPTC: Control and Risk and Related-Party Transactions Committee

ESGETSC: Environmental, Social & Governance and Energy Transition Scenarios Committee

ACC: Appointments and Compensation Committee

Consob: Commissione Nazionale per le Società e la Borsa (the Italian National Stock Exchange Supervisory Commission)

Subsidiaries (or “Controlled companies”): the following companies are subsidiaries of Snam: Snam Rete Gas S.p.A.; Stoccaggi Gas Italia S.p.A. – Stogit; GNL Italia S.p.A.; Infrastrutture Trasporto Gas S.p.A.; Snam International B.V.; Arbolia S.p.A. Società Benefit; Gasrule Insurance DAC; Enura S.p.A.; Snam 4 Mobility S.p.A.; Bioenergys S.r.l.; Renovit S.p.A.; Cubogas S.r.l.; IES Biogas S.r.l.; Govone Biometano S.r.l.; Società Agricola Biostellato 1 S.r.l.; Società Agricola Biostellato 2 S.r.l.; Società Agricola Biostellato 3 S.r.l.; Società Agricola Biostellato 4 S.r.l.; Società Agricola SQ Energy S.r.l.; Società Agricola Sangiovanni S.r.l.; Società Agricola GBE Gruppo Bio Energie S.r.l.; Società Agricola Zoppola Biogas S.r.l.; Società Agricola T4 Energy S.r.l.; Società Agricola Asola Energie Biogas S.r.l.; Società Agricola La Valle Green Energy S.r.l.; Società Agricola Tessagli Agroenergie S.r.l.; Società Agricola Agrimezzana Biogas S.r.l.; Società Agricola Agrimetano S.r.l.; Società Agricola San Giuseppe Agroenergia S.r.l.; Società Agricola Carignano Biogas S.r.l.; Società Agricola Santo Stefano Energia S.r.l.; Emiliana Agroenergia Società Agricola S.r.l.; Piacentina Agroenergia Società Agricola S.r.l.; Agriwatt Castel Goffredo Società Agricola a R.L.; IES

Biogas S.r.l. (Argentina) in liquidazione; Enersi Sicilia S.r.l.; TEP Energy Solutions S.r.l.; Tea Innovazione Due S.r.l.; T.lux S.r.l.; Snam Gas & Energy Services (Beijing) Co. Ltd.; Snam Middle East BV; Snam International UK; Snam North America LLC; Renerwaste S.r.l.; Renerwaste Lodi S.r.l.; Ecoprogetto Milano S.r.l.; Ecoprogetto Tortona S.r.l.; Renerwaste Cupello S.r.l.; Biowaste CH4 Anzio S.r.l.; Biowaste CH4 Foligno S.r.l.; Biowaste CH4 Genova S.r.l.; Biowaste CH4 Group S.r.l.; Biowaste CH4 Tuscania S.r.l.; Iniziative Biometano S.p.A.; Miecì S.p.A. ed Evolve S.p.A.; Asset Company 2 S.r.l.; Asset Company 4 S.r.l.; Asset Company 9 S.r.l.; Asset Company 10 S.r.l.; Snam FSRU Italia S.r.l.; Ravenna LNG Terminal S.r.l.; Asset Company 7 BV, Golar LNG NB13 Corporation.

Non-Financial Statement: the consolidated non-financial statement, drafted pursuant to Legislative Decree No. 254 of 2016, which, to the extent necessary to ensure an understanding of the company’s business, its performance, results and impact, covers environmental, social and personnel-related issues, respect for human rights and the fight against active and passive corruption, which are relevant in view of the Company’s activities and characteristics

Financial Reporting Officer: Financial Reporting Officer pursuant to Article 154-bis of the Consolidated Financial Act

Legislative Decree No. 231 of 2001: Legislative Decree No. 231 of 8 June 2001, *Rules governing administrative liability of legal entities, companies and associations, including those without legal personality, pursuant to Article 11 of Law No. 300 of 29 September 2000*

Legislative Decree No. 254 of 2016: Legislative Decree No. 254 of 30 December 2016, *Implementation of Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, containing the amendment to Directive 2013/34/EU concerning the disclosure of non-financial information and of information on diversity by certain businesses and by certain large groups*

Issuer, Snam or the Company: Snam S.p.A.

Group or Snam Group: Snam and its Subsidiaries

Anti-Bribery Laws: the provisions of the Italian Criminal Code relating to corruption, Law No. 190 of 6 November 2012 and related provisions of the Italian

Civil Code, Law No. 69 of 27 May 2015, Legislative Decree No. 231 of 2001, and the other applicable provisions, as amended, the Foreign Court Practices Act, the UK Bribery Act, the other public law and commercial law regulations against corruption that are in force around the world, and the international anti-corruption treaties, such as the OECD Convention on combating bribery of foreign public officials in international business transactions, the UN Convention against corruption and the European Criminal Law Convention on corruption

231 Model: the organisation, management and control model adopted by Snam pursuant to the Italian legislation on the "*liability of entities for administrative offences relating to crimes*" contained in Legislative Decree No. 231 of 2001

Unbundling Regulations: European and national provisions on functional and/or ownership unbundling that apply to all operators in the electricity and natural gas sectors. Specifically: Directive 2009/73/EC, Legislative Decree No. 93 of 1 June 2011, and the Prime Ministerial Decree of 25 May 2012, as amended by the Prime Ministerial Decree of 15 November 2019, containing "*Criteria, terms and conditions for the adoption of the ownership unbundling model of the company Snam S.p.A. pursuant to Article 15 of Law No. 27 of 24 March 2012*"

Supervisory Body: the supervisory body established pursuant to Legislative Decree No. 231 of 2001

RAB: *Regulatory Asset Base*, i.e. the value of the net capital invested, calculated according to the rules established by ARERA for transport and regasification

companies for the purpose of determining the reference revenue

2023 Corporate Governance Recommendations: the recommendations of the Chair of the Corporate Governance Committee contained in the letter of 25 January 2023 and circulated to the Chairs of the Boards of Directors of listed companies

Issuers Regulations: regulations issued by Consob by means of Resolution No. 11971 of 14 May 1999, as subsequently amended and modified, relating to issuers

Related Parties Transaction Regulations: regulations issued by Consob by means of Resolution No. 17221 of 12 March 2010, as subsequently amended and modified, concerning related-party transactions

Report: this report on corporate governance and ownership structure approved pursuant to Article 123-bis of TUF

The Company's website: www.snam.it

External Auditors: Deloitte & Touche S.p.A. (or Deloitte)

Stakeholders: shareholders, investors, institutions, associations and communities, media, financial community, authorities, customers, business partners, gas system operators, suppliers, employees and employees' representatives

Consolidated Financial Act (or "TUF"): Legislative Decree No. 58 of 24 February 1998, as subsequently amended and modified

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SNAM REPORTS



ANNUAL REPORT

It provides a **comprehensive view of financial and non-financial performance** through the information contained in the Report on Operations - Integrated Report, the Non-Financial Statement, the Consolidated Financial Statements and the Annual Financial Statements.

CONSOLIDATED NON-FINANCIAL STATEMENT

The document, drawn up in accordance with Legislative Decree 254/2016 and the Global Reporting Initiative's GRI Sustainability Reporting Standards (GRI Standards), describes **how the company is managed and organised, the policies practised, the risks and measures to mitigate and manage them, and the performance on sustainability issues relevant to the Group.**

MANDATORY



REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

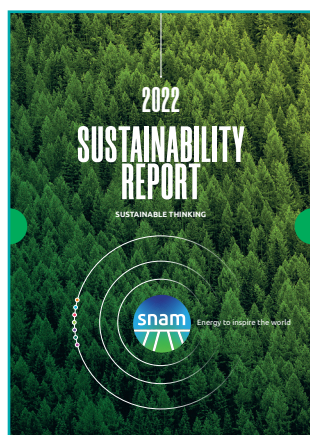
It provides detailed information about the company, **its governance structure, the ownership structure, the internal control and risk management system** and related topics.



REPORT ON THE REMUNERATION POLICY AND FEES PAID

It describes and explores the company's **Remuneration Policy of Directors and Managers with Strategic Responsibilities**, specifying the goals, the involved bodies, the procedures for its adoption and implementation in addition to the fees paid.

VOLUNTARY



SUSTAINABILITY REPORT

Drawn up in accordance with the **GRI Sustainability Reporting Standards**, it presents initiatives, major projects, performance and targets on **environmental, social and economic (ESG) issues** in order to strengthen the relationship and collaboration with the Group's stakeholders.



CLIMATE CHANGE REPORT

It describes the Company's **governance, strategy and scenarios**, risks and **opportunities, metrics and targets for climate change management**, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board.

Snam has structured its reporting in an integrated manner with the aim of providing a broad, complete, transparent and responsible response to its stakeholders' requests, presenting a detailed view of its activities, performance and objectives for the future.

FOCUS ON



REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

The Report on Corporate Governance and Ownership Structure 2022 (the **"Report"**) is intended to be a journey of discovery for Snam, describing the implementation of the Corporate Governance Code, and is mainly concerned, in the respective Sections, with presenting the Company, providing information on its ownership structure, illustrating the structure of the corporate governance system adopted by Snam and illustrating the structure of the internal control and risk management system adopted by the Company. The Report is preceded by an "Executive Summary" specifying the main elements characterising the corporate governance system.

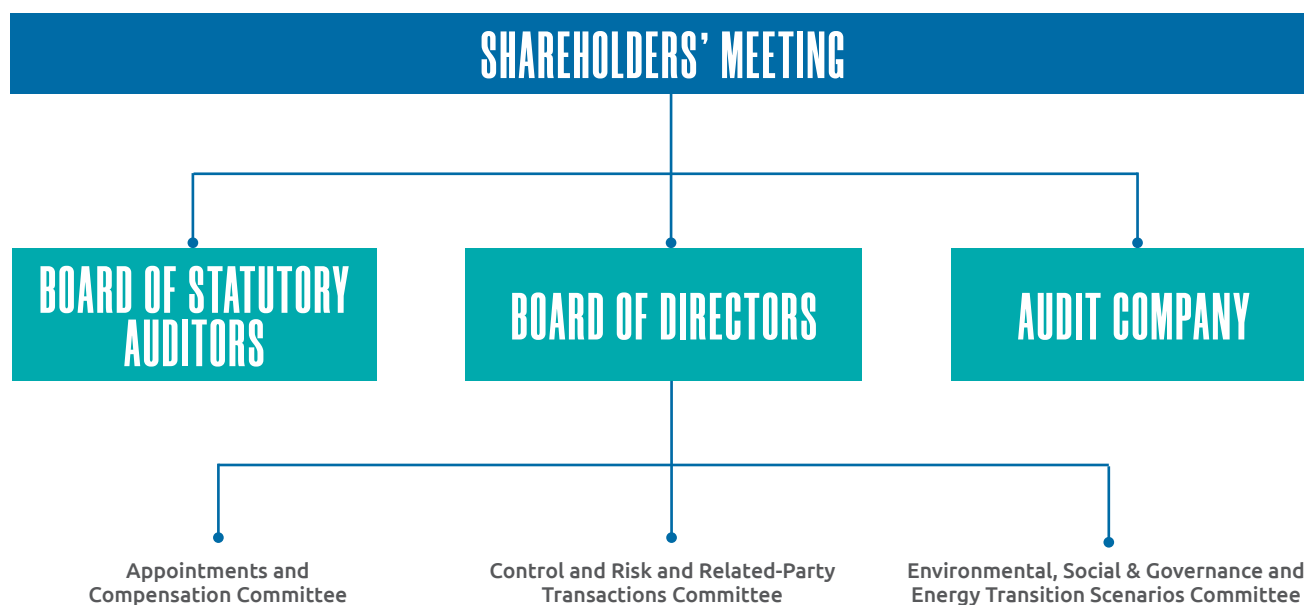
The Report has been prepared in accordance with the *"Format for the Report on Corporate Governance and Ownership Structure"* issued by Borsa Italiana S.p.A. (9th Edition of January 2022), the 10th Report on the application of the Corporate Governance Code by the Italian Corporate Governance Committee of Borsa Italiana, *"2022 Report on the evolution of corporate governance in listed companies"*, and 2022 report entitled *"Corporate Governance in Italy: the implementation of the Italian Corporate Governance Code"* of Assonime, March 2023.

Lastly, the Report contains a check-list through which identify the sections of the Report in which it is illustrated, for each principle and recommendation of the Corporate Governance Code, the application or non-application of the same by Snam.

EXECUTIVE SUMMARY



Corporate Governance



MAIN COMPANY HIGHLIGHTS

Figures in millions €	2020	2021	2022	DELTA	% change 2021-2022
Total revenues	2,770	3,297	3,515	218	6.6
Operating profit (EBIT)	1,380	1,423	1,328	(95)	(6.7)
Net profit (a)	1,101	1,496	671	(825)	(55.1)
Net indebtedness	12,887	14,021	11,923	(2,098)	(15.0)
Capitalisation at 31/12 (b)	15,046	13,343	15,178	1,835	13.8
Employees	3,249	3,430	3,610	180	5.2
Sector	Utility				

(a) Entirely attributable to Snam shareholders.

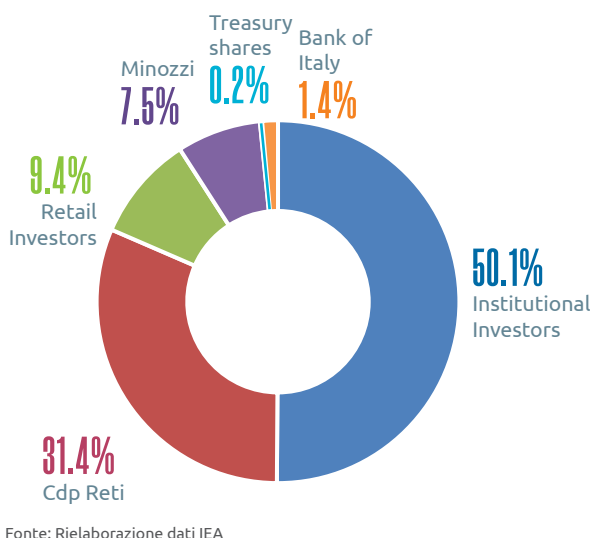
(b) Product of the number of outstanding shares (exact number) by the official price per share as of 31 December 2022.

STOCK PERFORMANCE, 2020-2022

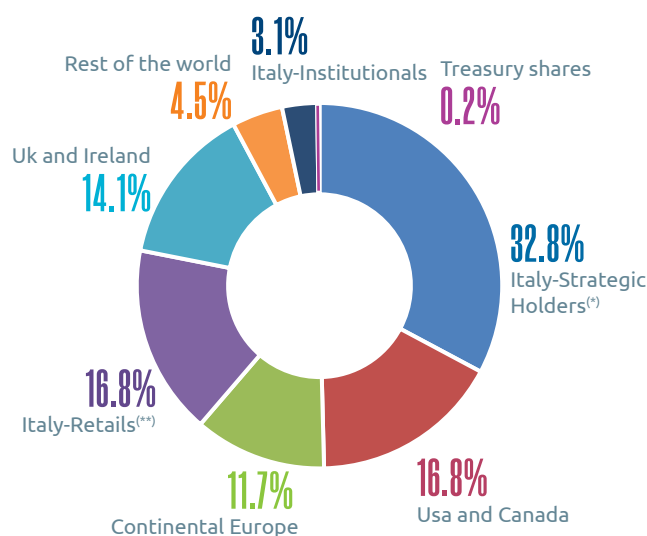


SHAREHOLDING STRUCTURE AND REPRESENTATION (AS OF 31 DECEMBER 2022)

Snam shareholding structure



Shareholdings by geographic areas



* Italian strategic shareholders include the Bank of Italy and Cdp Reti.
 ** Italian retail shareholders include the direct and the indirect interest of Minozzi.

OTHER SHAREHOLDING CHARACTERISTICS

	Yes/No	% of the share capital
Shareholders' agreement	Yes	31.352%
Majority voting	No	
Shareholding of the <i>top management</i>	Yes	0.00411%
Shareholding threshold for the submission of lists	Yes	0.5%
Shareholding of Italian institutional and strategic investors	Yes	35.9%
Shareholding of foreign investors	Yes	47.1%

COMPOSITION OF THE BOARD OF DIRECTORS

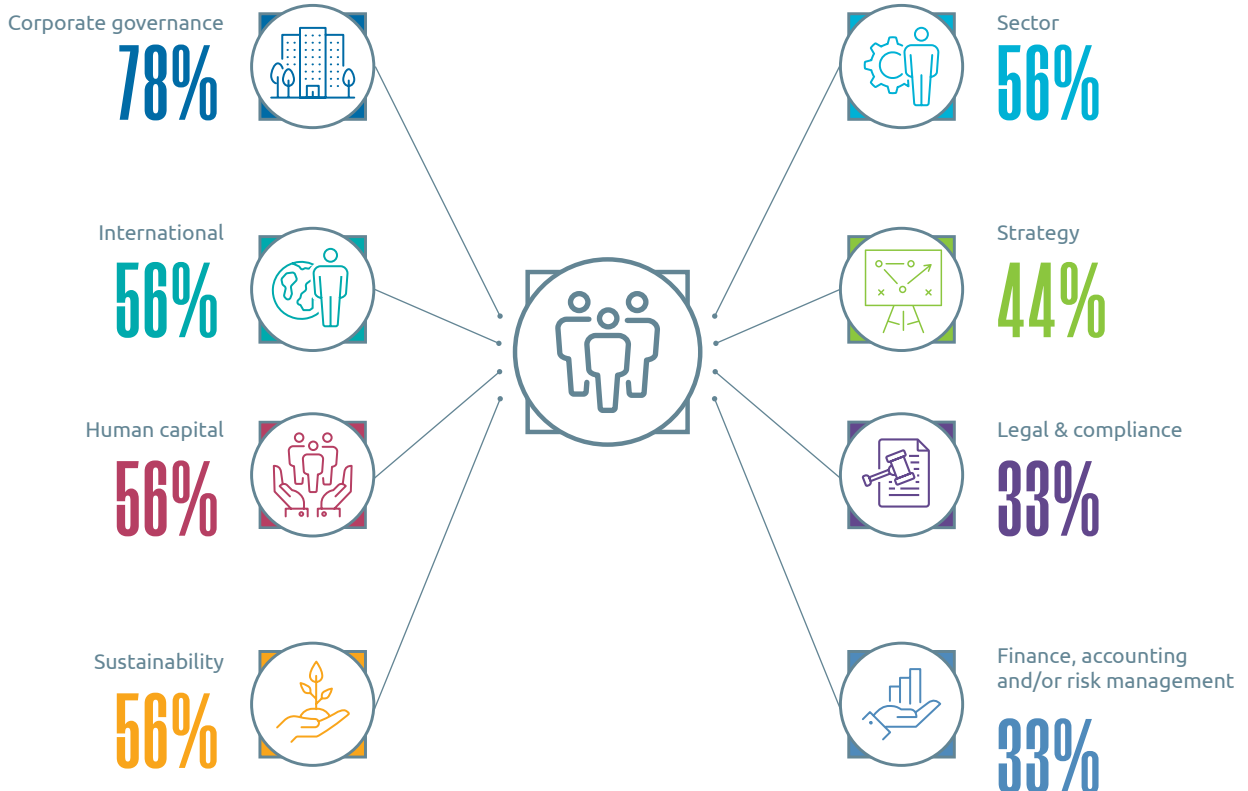
STRUCTURE OF THE BOARD OF DIRECTORS AS OF 31 DECEMBER 2022*

Director	Office held	Role	M/m	CRRPTC	ACC	ESGETSC
Monica de Virgiliis	Chair	Independent (pursuant to TUF/Code)	M			
Stefano Venier	CEO	Executive	M			
Massimo Bergami	Director	Independent (pursuant to TUF/Code)	M		X	X
Laura Cavatorta	Director	Independent (pursuant to TUF/Code)	m	X		C
Augusta Iannini	Director	Independent (pursuant to TUF/Code)	M	X		
Piero Manzoni	Director	Independent (pursuant to TUF/Code)	m	C		
Rita Rolli	Director	Independent (pursuant to TUF/Code)	m		C	X
Qinjing Shen	Director	Non-executive	M			X
Alessandro Tonetti	Director	Non-executive	M		X	

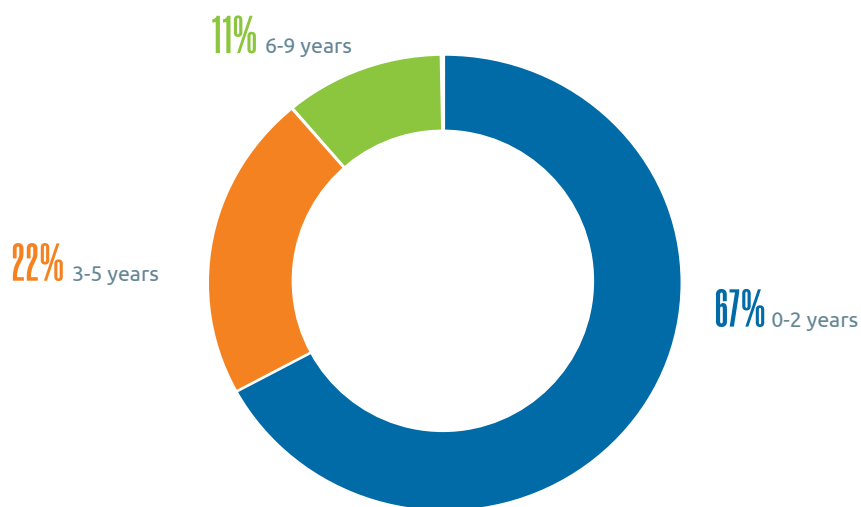
CRRPTC: Control and Risk and Related-Party Transactions Committee;
 ACC: Appointments and Compensation Committee;
 ESGETSC: Environmental, Social & Governance and Energy Transition Scenarios Committee
 M: Majority list;
 m: minority list;
 C: Chair

* Until 27 April 2022 - the date set for the ordinary Shareholders' Meeting of Snam called to resolve, inter alia, on the appointment of the members of the Board of Directors and the Board of Statutory Auditors for the three-year period 2022-2024 - Snam's Board Committees were organized as follows: Control and Risk and Related-Party Transactions Committee, Appointments Committee, Compensation Committee, and Environmental, Social & Governance Committee. On 27 April 2022, Snam's newly appointed Board of Directors established the following Board Committees: Control and Risk and Related-Party Transactions Committee, Appointments and Compensation Committee, Environmental, Social & Governance and Energy Transition Scenarios Committee.

EXPERTISE OF DIRECTORS



SENIORITY OF OFFICE OF THE MEMBERS OF THE BOD



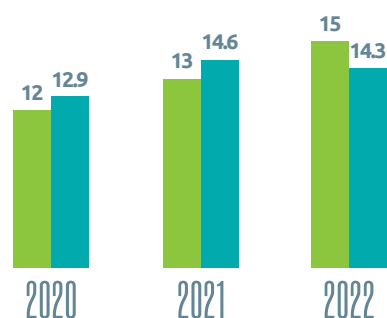
CHANGES COMPARED TO THE PREVIOUS MANDATE

	Previous mandate	Current mandate	FTSE MIB average*
Number of Directors	9	9	12.5
Directors elected by the minority	3 (33.3%)	3 (33.3%)	19.6%
% of the less-represented gender on the BoD	33.3%	44.4%	40.2%
% of independent Directors	66.6%	66.6%	65.4%
Average age of Directors	53	56.2	58.1
Chair-CEO or Chair-controlling shareholder	no	no	10%
Lead Independent Director	no	no	39.4%

* Assonime – Report on Corporate Governance in Italy: the implementation of the Italian Corporate Governance Code, 2022.

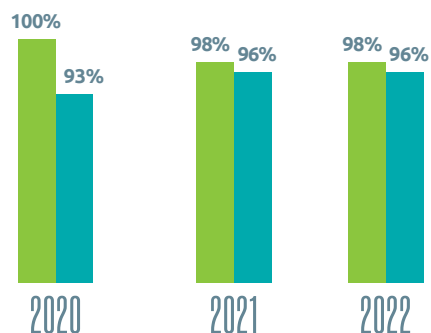
FUNCTIONING OF THE BOARD OF DIRECTORS

Number of meetings of the Board of Directors



● Snam ● FTSE MIB*

Attendance rate in the Board of Directors



● Snam ● Euronext Milan*

* Assonime – Report on Corporate Governance in Italy: the implementation of the Italian Corporate Governance Code, 2022.

NUMBER OF COMMITTEE MEETINGS AND RATE OF ATTENDANCE BY THE DIRECTORS

Committee	Number of meetings	Rate of attendance	Rate of attendance of independent members
Control and Risk and Related-Party Transactions Committee	10	100%	100%
Compensation Committee*	7	100%	100%
Appointments Committee*	4	91.67%	100%
Appointments and Compensation Committee**	10	93.33%	90%
<i>Environmental, Social & Governance</i> and Energy Transition Scenarios Committee	12	95%	97%

* Existing until 27 April 2022.

** Existing from 27 April 2022.

DIRECTORS HOLDING POSITIONS AS DIRECTOR OR STATUTORY AUDITOR IN OTHER RELEVANT COMPANIES ACCORDING TO THE CORPORATE GOVERNANCE CODE (BASED ON STATEMENTS MADE BY THE DIRECTORS AND UPDATED AS OF 15 FEBRUARY 2023)

	Group companies	Other listed companies			Companies of significant size			
		Non-executive Director	Independent Director	Statutory Auditor	Non-executive Director	Executive Director	Independent Director	Statutory Auditor
Monica de Virgiliis	-	-	1	-	-	-	-	-
Stefano Venier	-	1	-	-	-	-	-	-
Massimo Bergami	-	-	-	-	-	-	-	-
Laura Cavatorta	-	-	2	-	-	-	-	-
Augusta Iannini	-	-	-	-	2	-	-	-
Piero Manzoni	-	-	-	-	-	-	-	-
Rita Rolli	-	-	-	1	-	-	-	-
Qinjing Shen	-	2	-	-	1	-	-	-
Alessandro Tonetti	-	-	-	-	1	-	-	-

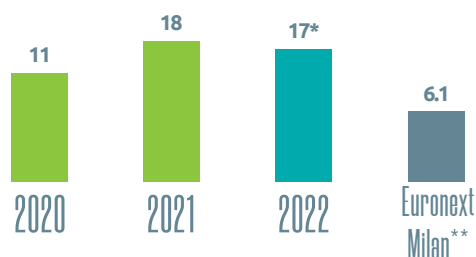
BOARD EVALUATION ANNUAL PROCESS

Board evaluation process completed	Yes
Evaluator	Self-assessment with the support of an advisor
Self-evaluation methods	Questionnaires/ Collegial meetings/ peer-to-peer reviews consisting of an analysis of the individual contributions of each director by his/her colleagues

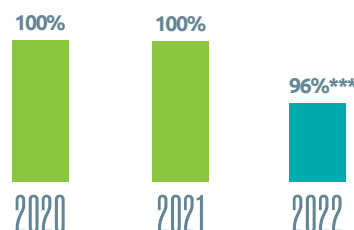
REMUNERATION

NUMBER OF MEETINGS OF THE COMPENSATION COMMITTEE AND ATTENDANCE RATE

Meetings



Attendance rate



* The figure includes 7 meetings of the previous Compensation Committee and 10 meetings of the new Appointments and Compensation Committee.

** Figures referring to financial year 2022 extracted from Assonime - Report on Corporate Governance in Italy: the implementation of the Italian Corporate Governance Code, 2022, p. 62.

*** Weighted average for the number of meetings of the previous Compensation Committee and the new Appointments and Compensation Committee.

SHORT-TERM INCENTIVE SYSTEMS (STI)

	No	Yes
Existence of a short-term incentive system envisaging allocation of an annual bonus linked to results achieved in the previous fiscal year.		X
Existence of a bonus cap		X
STI parameters for the CEO		Weight
Adjusted Ebitda		30%
Investments		15%
Strategic Projects		20%
Milestones related to new businesses		15%
Sustainability:		
- Weighted accident frequency and severity index (10%)		
- Inclusion of sustainability indexes (DJIS, FTSE4Good, CDP Climate Change and Sustainalytics) (5%)		20%
- Sustainable Finance - increase of sustainable loans (5%)		

LONG-TERM INCENTIVE SYSTEMS (LTI)

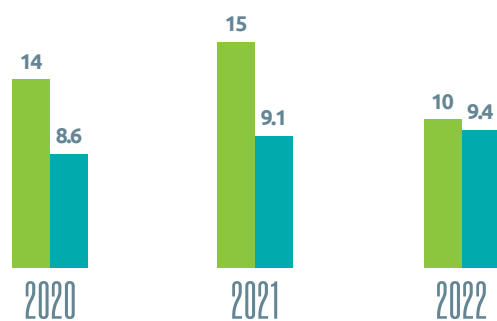
	No	Yes
Existence of a long-term, share incentive system with three-year vesting and an additional 2-year lock-up period on 20% of the shares allocated		X
LTI vehicles		
Cash		
Financial instruments		X
LTI parameters for the CEO		Weight
Adjusted net profit		50%
Added Value		30%
Sustainability:		
- Reduction of natural gas emissions (10%)		20%
- Equal gender representation in management (10%)		

CHIEF EXECUTIVE OFFICER – PAY-MIX 2022

Purpose and characteristics		Pay Mix		
		Minimum	Target	Maximum
Fixed Compensation	The fixed compensation of the CEO/GM considers: the compensation set by the shareholders' meeting for directors; the compensation approved by the Board of Directors for delegated powers; and the gross annual compensation for the office of General Manager.	100%	31%	25%
Annual Monetary Incentive (AMI)	Monetary plan paid annually according to the Company's objectives set by the Board of Directors.	0%	21%	23%
Long-Term Share-Based Incentive (LTI)	Three-year share-based plan that ensures a greater alignment with shareholders' interests by promoting the pursuit of corporate strategic objectives in the medium-long term.	0%	48%	52%

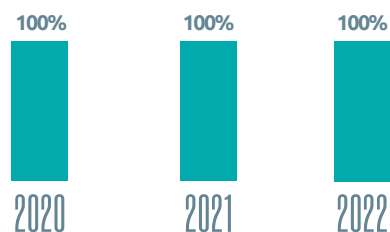
INTERNAL CONTROL AND RISK MANAGEMENT

Number of meetings of the Control and Risk and RPT Committee



● Snam ● Euronext Milan*

Attendance rate at the Control and Risk and RPT Committee



* Assonime – Report on Corporate Governance in Italy: the implementation of the Italian Corporate Governance Code.

Composition of the Control and Risk and Related-Party Transactions Committee	Independent	Executiveness
Piero Manzoni (Chair)	x	Non-executive
Augusta Iannini	x	Non-executive
Laura Cavatorta	x	Non-executive

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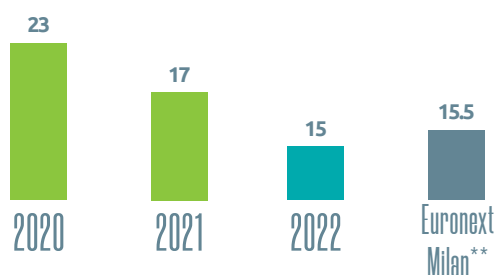
BOARD OF STATUTORY AUDITORS

Statutory auditors	Office held	Ind.**	M / m*	Other positions
Stefano Gnocchi	Chair	x	m	8
Gianfranco Chinellato	Standing Auditor	x	M	9
Ines Gandini	Standing Auditor	x	M	7
Maria Gimigliano	Alternate	x	M	n/a
Federica Albizzati	Alternate	x	m	n/a
Federico Sambolino	Alternate	x	M	n/a

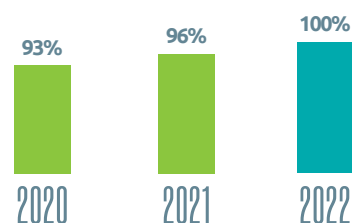
* M: majority list; m: minority list

** Independence pursuant to the TUF and the Corporate Governance Code

Number of the meetings of the Board of Statutory Auditors



Attendance rate at the Board of Statutory Auditors



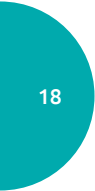
** Figures referring to financial year 2022 extracted from Assonime - Report on Corporate Governance in Italy: the implementation of the Italian Corporate Governance Code, 2022, p. 67.

MAIN ELEMENTS OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

	Yes/No
Presence of the Risk Management function	yes
There is an Enterprise Risk Management plan	yes
If yes, is this plan discussed with the Committee?	yes
Presence of subsequent plans (in relation to Management)	yes
Preparation of specific compliance programs (Antitrust, Anticorruption, Whistleblowing, etc.)	yes

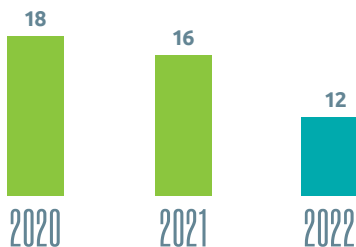
MAIN RISKS

Main risks	Mitigation measures
Regulatory change (regulatory, legal and compliance context)	Monitoring and discussion with the main institutions responsible. Training for management and employees on anti-corruption, administrative liability pursuant to Legislative Decree No. 231/01, <i>privacy, market abuse, antitrust</i> and other potential unlawful acts. Refresher and awareness training on contractual rules and standards in line with applicable legislation and case law. Reputational audits of suppliers and sub-contractors. <i>Anti-corruption and antitrust monitoring.</i>
<i>Operating</i> risk (damage, breakdown, etc.)	Continuous control and monitoring measures and actions designed to prevent and/or limit the impact of third-party interference, potential situations of inadequate on-site coordination, and the occurrence of hydrogeological events.
<i>Cybersecurity</i> risk	Action to centralise, analyse and supervise all monitoring sources on a 24-hour basis in a single command and control centre. Periodic <i>risk assessment</i> for analysis of <i>cyber risk</i>
Infrastructure construction	Actions designed to strengthen relations with the local communities in which Snam operates, through the integrated, preventive and ongoing involvement of its stakeholders with a view to building a sustainable business for the regions and to creating value.

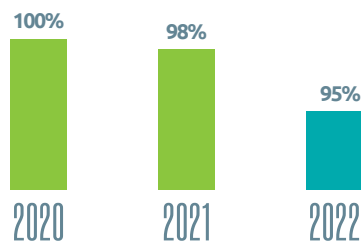


ENVIRONMENTAL, SOCIAL & GOVERNANCE

Number of meetings of the ESG and Energy Transition Scenarios Committee



Attendance rate of the ESG and Energy Transition Scenarios Committee



MATERIALITY ANALYSIS

Lista dei temi secondo l'Impact materiality

- Climate change and green business (a)
- Energy security and accessibility
- Sustainable supply chain
- Health and safety
- Innovation, digitalisation and cyber security
- Economic performance, value creation and sustainable finance (b)
- Territory and biodiversity protection
- Business integrity and corporate reputation (c)
- Relations with local communities
- Relations with authorities and quality of services
- Development and protection of human capital
- Employment
- Diversity and inclusion

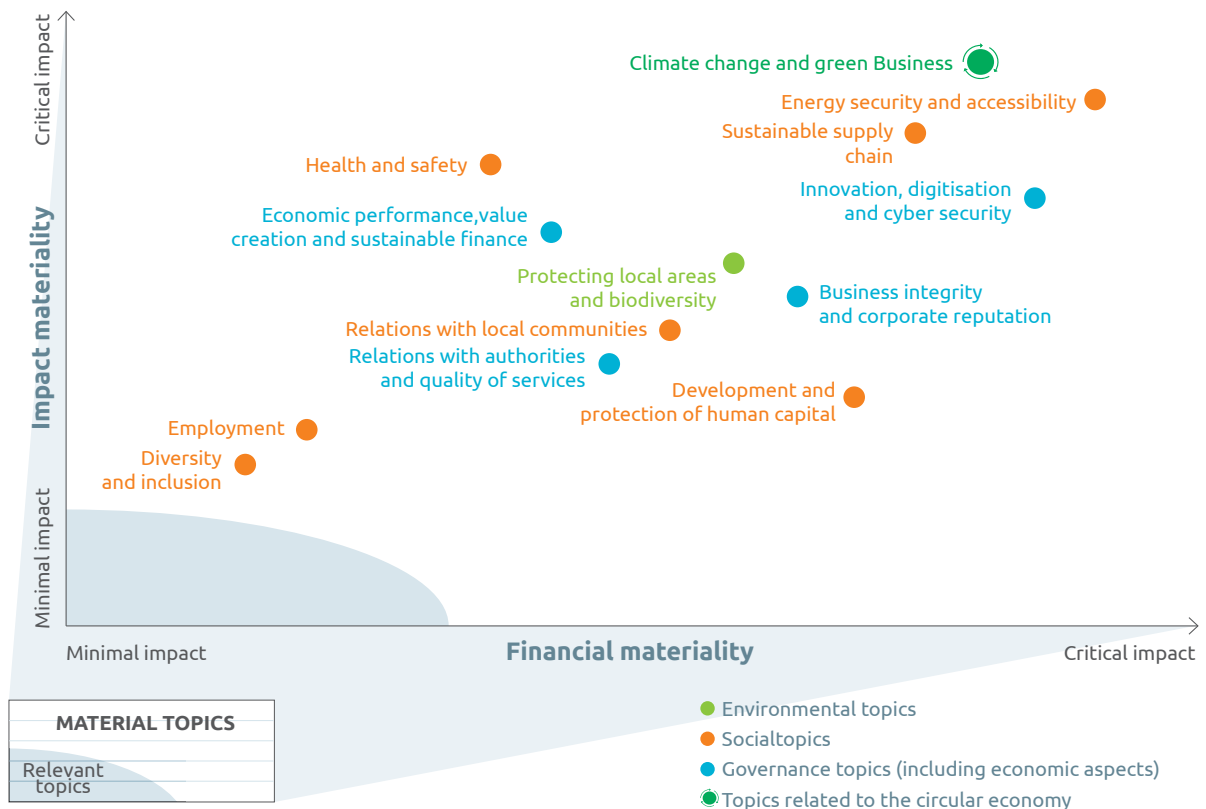
Materiality threshold

- Waste management
- Pollutant emissions (d)
- Respect for human rights
- Water resource management

- (a) The topic 'Climate change and green business' refers to carbon dioxide emissions CO₂. In 2021 it was divided into 'Climate change' and 'Green business'.
- (b) The 2021 topic 'Economic Performance and Value Creation' has been integrated with sustainable finance, confirming the increasing weight that Snam has given to this aspect in its funding, as well as in its investments.
- (c) The 2021 topic 'Business integrity' was integrated with the topics 'Fighting corruption' and 'Corporate reputation'.
- (d) The topic 'Pollutant Emissions' refers to emissions of nitrogen oxides (NOx), particulate matter (PM10), carbon monoxide (CO), sulphur oxides (SOx). In 2021, the topic was called 'Air Protection'.

● Environmental topics ● Socialtopics ● Governance topics (including economic aspects) ● Topics related to the circular economy

THE DOUBLE MATERIALITY



BREAKDOWN OF ADDED VALUE

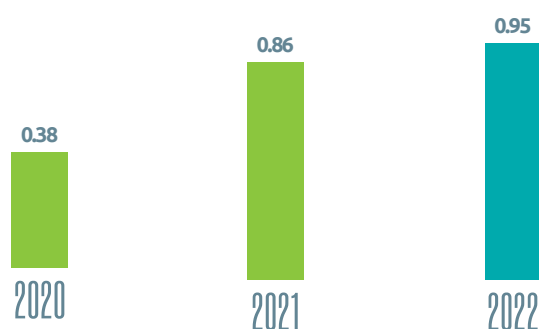
INDICATOR	GRI STANDARD	U.M.	2020	2021	2022
Generated Added Value (A)			3,027	3,615	3,388
Distributed Added Value (B)			1,975	2,516	2,587
Employees (*)			213	231	258
Suppliers			372	796	821
Local community Donations and sponsorships and Statutory environmental offsetting			19	6	3
Lenders (Bond-holders and Banks)	201-1	mil. €	166	126	151
Shareholders (**)			796	862	922
Public administration			409	495	432
Direct taxes			396	474	416
Indirect taxes			13	21	16
Added Value retained by the Company (A) - (B)			1,052	1,099	801

Note: The 2020 and 2021 data have been restated.

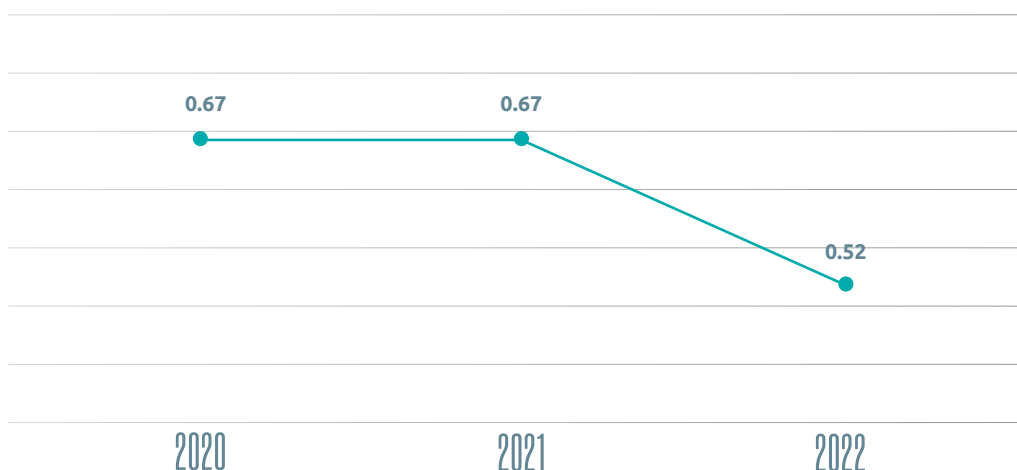
(*) Includes staff-related service costs.

(**) The 2022 figure refers to the dividend proposed by the Board of Directors subject to the approval of the Shareholders' Meeting of 4 May 2023.

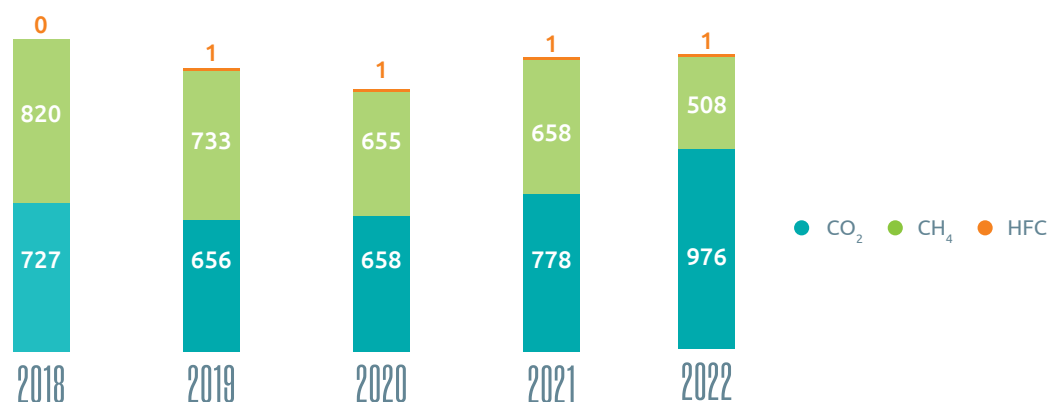
INJURIES AT WORK EMPLOYEES AND CONTRACTORS FREQUENCY RATE



TOTAL METHANE EMISSIONS PER NETWORK KM (T/KM)



GHG DIRECT (SCOPE 1) EMISSIONS (ktCO_{2e})



* The CO_{2eq} valuation was carried out according to the indications of the scientific study of the Intergovernmental Panel on Climate Change (IPCC) - "Sixth Assessment Report (IPCC)" - which assigned methane a Global Warming Potential (GWP) of 29.8.

Added value produced and distributed

For Snam, sustainability and value creation are highly correlated concepts. Indeed, operating while contributing to the growth of the relevant economic, social and environmental context enables the creation of wealth for both the Company and its stakeholders, measured in terms of the Added Value produced and distributed. Snam calculates the Added Value on the basis of the standard drawn up by the *Gruppo di Studio per il Bilancio Sociale* (GBS) and in accordance with the GRI Standards. In 2022, the gross global Added Value produced by the Company amounted to 3,388 million, in reduction of 227 million, equal to 6.3%, compared to 2021 (3,615 million), as a result of the impacts of the Russia-Ukraine conflict on the valuation of Snam's shareholding in TAG, which owns the pipeline that transports Russian gas through Austria to Italy via Ukraine, Slovakia and to the Tarvisio entry point.

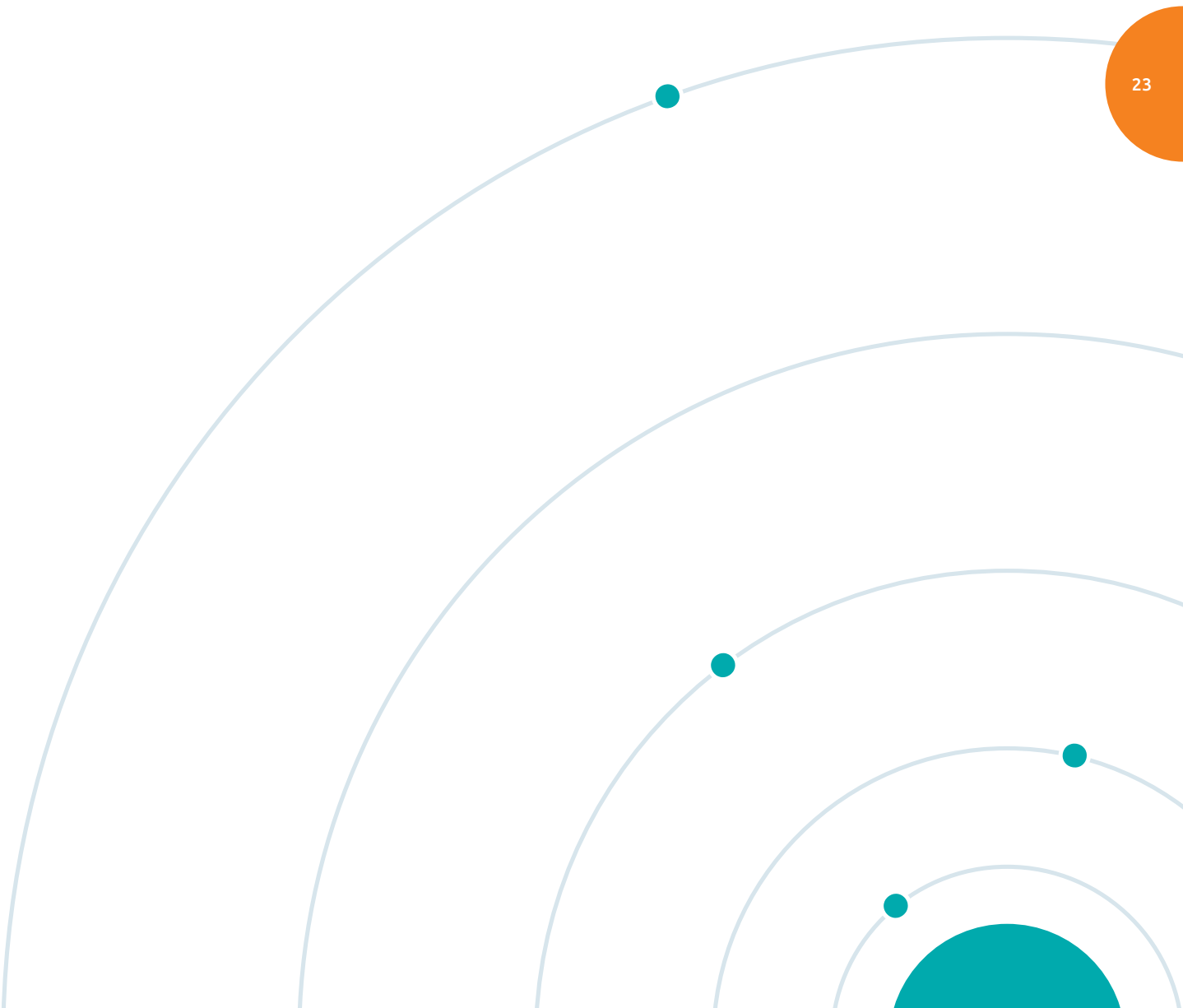
The 23.6% of the gross global Added Value produced was reinvested within the Group and was entirely allocated to the amortization of group *assets* (74.6% in 2021). With regard to the main stakeholders of reference, 2022 shows a value distributed to the financing entities in line with 2021 (4.5%; -0.5 percentage points compared to 2021), because of the effects of the actions to optimize the group financial structure implemented in previous years, despite the increase in market rates. The value distributed to shareholders through the distribution of dividends is increasing compared to 2021 (27.2%; +3.4% compared to 2021), against a unit dividend increase (+5% compared to 2021), confirming the commitment to guarantee shareholders an attractive and sustainable remuneration, and an increase in outstanding shares as a result of the exercise of the convertible bond that expired in March 2022. With reference to employees, there is an increasing incidence of the distributed Added Value (7.6%; 6.4% in 2021) through direct remuneration consisting of wages, salaries and severance pay, and indirect remuneration consisting of social security charges and costs for services related to personnel (canteen services, welfare); such growth is due in part to hiring from the market to strengthen energy transition businesses. The value attributed to the Public Administration through direct and indirect taxes accrued during the period recorded a reduction (12.8%; -13.7% compared to 2021) due to the lower profits earned in the financial year 2022. Lastly, an amount equal to Euro 3 million was allocated to the local communities (0.1% of the value generated) and is represented by liberality and environmental compensation carried out in accordance with the law.

SECTION I: SNAM INTRODUCES ITSELF

22 SECTION I

SNAM INTRODUCES ITSELF

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- 26 2. Governance and sustainable development of the business
- 28 3. Corporate governance at Snam
- 29 4. Code of Ethics



1. SNAM AND ITS BUSINESSES

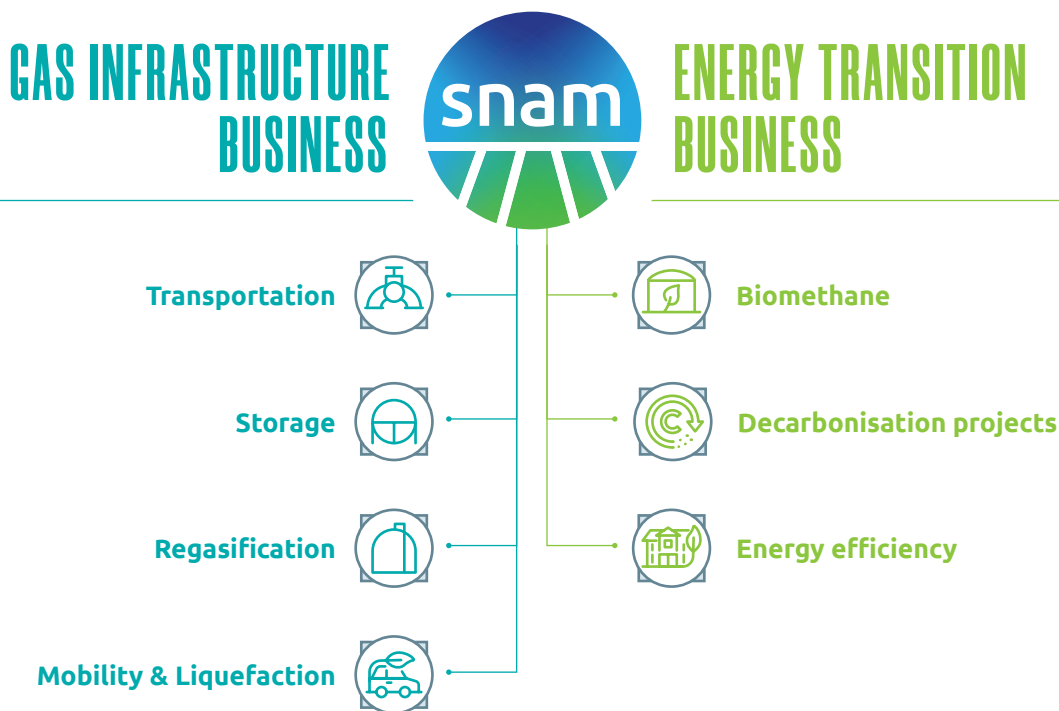
For more than 80 years, Snam has dealt with transport, dispatching, storage and regasification of natural gas, in the European and national energy context, ensuring its energy security.

In the last few years, the Company has gradually increased its efforts to become an enabler of the energy transition thanks to energy transition businesses: biomethane, hydrogen and energetic efficiency, which will also play a key role in achieving energy independence.

With the goal of achieving carbon neutrality by 2040, Snam will continue to lean on businesses of gas infrastructures by converting existing assets to a “multi-commodity” perspective, i.e. capable of transporting and storing not only natural gas, but also renewable gases such as hydrogen and biomethane.

Therefore, please refer to the 2022 Annual Financial Report made available on the Company’s website in the section dedicated to the Company’s Shareholders’ Meeting of 4 May 2023.

THE GROUP'S BUSINESSES



Snam's purpose

Included in the company's Articles of Association in 2021, Snam's purpose "*Energy to inspire the world*" is based on Aristotle's mindset according to which the purpose of every individual – the reason for being – lies at the intersection between the individual's talent and what the world needs. "Energy to inspire the world" includes the experience, the engineering tradition and the ability of Snam to be a leader of the energy sector, while providing the instruments and the innovation needed to pursue the goals of securing and pushing the energy transition of the Country's system, toward building a resilient, secure and sustainable energy system.

These goals, supported by a major investment plan (Strategic Plan 2022-2026) in infrastructure businesses, green gases (biomethane and hydrogen), energy efficiency, and decarbonization technologies, can be realized through the Group's expertise, the creation of solid and trusting relationships with local communities, and collaboration with suppliers and investee companies.

The profound integration of sustainability into the business, included in Snam's purpose, is also demonstrated by the ESG Scorecard, a set of annual goals relating to the environmental, social and governance spheres and designed to provide stakeholders with maximum transparency on the Group's commitment in these areas and to report transparently on the progress achieved.



Infrastructure
development

Energy
transition and
decarbonisation

Digitalisation

2. GOVERNANCE AND SUSTAINABLE DEVELOPMENT OF THE BUSINESS

The corporate governance serves to facilitate the creation of long-term value for the benefit of shareholders, taking into account the interests of the other stakeholders relevant to the Company. Snam oversees matters of mutual interest and compliance with the rules and promotes a constructive dialogue with its stakeholders, with the ultimate aim of orienting its actions towards the creation of shared value.

The business is based on the principles established in the UN Universal Declaration of Human Rights, in the International Labour Organisation (ILO) fundamental Conventions and in the OECD Guidelines for Multinationals. The Company is aware that it plays a prominent role in the industrial sector and in the market in which it operates and that it assumes a role of responsibility in safeguarding the well-being of the people who work for the company (employees), who collaborate with it (suppliers) and the communities in which it operates. For this reason, Snam's approach to the issue of human rights is based on principles and criteria defined in the Human Rights Policy. The Company focuses, in particular, on the following rights: the right to health and to safe work; the right to personal well-being; the right to decent work and fair remuneration; the right to training; the right to freedom of association, of opinion and information; the right to non-discriminatory work and diversity; the right of local communities and the right to privacy. The Policy applies to Snam and its subsidiaries and is presented to the other subsidiaries in order to promote consistent principles and conduct. Snam also undertakes to disseminate it among all its employees, suppliers, subcontractors and business partners, as well as any other interested parties.

Snam also adheres to the UN "Global Compact", the world's biggest international sustainability initiative, which aims to promote and disseminate ten global ethical principles concerning human rights, the environment, workers' rights and anti-corruption and supports the sustainable development goals of the 2030 Agenda (SDGs). Finally, the commitment to sustainable development is also reflected in environmental protection as an integral part of the Company's policies. Snam intends to promote the co-existence of the environment, social and economic development, without neglecting land conservation, also through the activities of the Snam Foundation, founded in

2017, and the reforestation activities of Arbolia, the benefit company created in partnership with Cdp S.p.A. ("Cdp").

Snam's shares are listed on the FTSE MIB index of Borsa Italiana and are present on the main international indices (STOXX Europe 600, STOXX Europe Utilities), and on the main sustainability indices (Dow Jones Sustainability, FTSE4Good, CDP, Stoxx Global ESG Leaders, MSCI, United Nations Global Compact 100, Vigeo, ISS ESG and Sustainalytics).

In order to illustrate the value created and the sustainability of its business to its stakeholders in a transparent manner, Snam produces the following documents:

- (i) since 2006, a Sustainability Report in accordance with the most advanced standards of the Global Reporting Initiative;
- (ii) since 2015, a Management Report for the Financial Report, supplemented with financial and non-financial data and information, according to the recommendations of the framework proposed by the International Integrated Reporting Council - (IIRC);
- (iii) since 2017, the Non-Financial Statement contained in the Management Report, pursuant to Legislative Decree No. 254 of 2016;
- (iv) since 2018, a document entitled "Climate Change Report", drawn up in accordance with the recommendations of the Task Force on Climate-related Financial Disclosure established by the Financial Stability Board³.

In addition, the Company's Articles of Association were amended in 2021 to expressly provide for the principle of pursuing sustainable success among the goals which the Company's business activities must pursue, through the creation of long-term value to the benefit of shareholders and promoting, at the same time, the satisfaction of the interests of the other stakeholders relevant to the Company. This purpose has been specifically incorporated into Snam's Articles of Association, also in order to recognize the Company's commitment to encouraging the energy transition towards forms of resources and energy use that are compatible with environmental protection and

³ The Task Force on Climate-related Financial Disclosures (TCFD) was established in 2015 by the Financial Stability Board (FSB) – the body that promotes and monitors the stability of the global financial system – and tasked with drawing up a series of recommendations on reporting the risks of climate change. The aim is to guide and encourage companies to align the information they disclose with investors' expectations and needs.

progressive decarbonization, as well as Snam's corporate purpose, "Energy to inspire the world".

The introduction of Snam's corporate purpose in the Articles of Association is aimed at reinforcing the Company's commitment to promoting the energy transition process.

In order to support the Board of Directors in the analysis of issues relevant to the creation of long-term value, the Company has also set up a special Board Committee to which specific preliminary, propositional and advisory functions have been attributed on environmental, social and governance issues, as well as – most recently – in relation to energy transition scenarios issues (concerning, specifically, the use of resources and energy sources compatible with environmental protection and progressive decarbonization, examining in particular the initiatives undertaken by the Company to address the issues raised by climate change and related reporting), technological innovation and circular economy⁴.

To strengthen and further integrate sustainability into its business, Snam has created since 2020 the ESG Scorecard, an instrument designed to provide maximum disclosure on the main environmental, social and governance aspects and to assess the Group's performance against certain targets with a time horizon aligned with the Strategic Plan.

The ESG Scorecard is a quarterly monitoring instrument with annual disclosure with specific KPIs and targets in the environmental (natural gas emissions, energy savings, green innovation, soil and biodiversity protection), social (welfare, employee engagement, safety, gender diversity, responsible and sustainable supply chain, local communities) and governance (governance structure and its functioning, infrastructure reliability, anti-corruption, sustainable finance) fields.

Snam, despite the challenging environment, confirms its commitment to achieve carbon neutrality in its activities (Scope 1 and 2) by 2040, and for the reduction of Scope 3 emissions associated with the value chain through target set

at 2030. Some of the initiatives implemented are projects aimed at reducing natural gas emissions (LDAR, plant replacements, in-line gas recovery), replacing gas turbines with electric compressors, promoting and developing of businesses related to green gas, energetic efficiency and sustainable mobility and collaboration with subsidiaries and suppliers through knowledge sharing and awareness raising initiatives.

The Financial Report is available on the Company's website at

https://www.snam.it/export/sites/snam-rp/repository/ENG_file/investor_relations/reports/annual_reports/2021/SNAM_2022_Annual_Report.pdf

The document "Climate Change Report 2022" is available on the Company's website

https://www.snam.it/export/sites/snam-rp/repository/file/Sostenibilita/strategie_impegno/Snam_climate_change_2022.pdf

Snam publishes a Sustainability Report, drawn up in accordance with the GRI (Global Reporting Initiative) standards, which is considered an important tool for managing the sustainability process and communicating with stakeholders. The Sustainability Report is approved by Snam's Board of Directors⁵.

The Sustainability Report is available on the Company's website

https://www.snam.it/repository/ENG_file/investor_relations/reports/annual_reports/2022/2022_sustainability_report.pdf

⁴ For more information, see Section III of this Report.

⁵ For more information, see Section III of this Report.

3. CORPORATE GOVERNANCE AT SNAM

The **Corporate governance** of an enterprise consists of the rules and methods for the planning, management and control required for the functioning of the company.

Snam's corporate governance system was drafted by the Board of Directors in compliance with the legislation applicable to the Company⁶.

The system is based on key principles, such as proper and transparent business management implemented through (i) the definition of information flows between corporate bodies; (ii) efficient definition of the internal control and risk management system; and (iii) the adoption of an Enterprise Risk Management system (the "**ERM Model**"). This consists of rules and organisational structures aimed at identifying, measuring, managing and monitoring the main risks that could affect the achievement of the Company's strategic objectives.

The Company's **Articles of Association** define the governance model of the Company and the main rules of procedure of its corporate bodies.

Snam's current corporate governance model conforms to the traditional system of administration and control. It is

composed of two bodies appointed by the Shareholders' Meeting⁷ (the shareholders' decision-making body), i.e. the Board of Directors - vested with the broadest powers for the ordinary and extraordinary management of the Company - and the Board of Statutory Auditors, which supervises, inter alia, on the administration and the compliance with the law and with the Articles of Association⁸.

The statutory audit of the financial statements as of 31 December 2022 was carried out by Deloitte & Touche S.p.A. as the external auditors appointed by the Shareholders' Meeting on the recommendation of the Board of Statutory Auditors.

The Board of Directors established the following three Committees, in compliance with the Corporate Governance Code and with the Articles of Association⁹:

- CRRPTC;
- ACC;
- ESGETSC.

The Articles of Association can be consulted on the Company's website https://www.snam.it/export/sites/snam-rp/repository/ENG_file/Governance/Bylaws/Snam-S.p.A.-Statuto-sociale-variazione-oggetto-sociale-ENG-Clean.pdf

⁶ Reference is made to the legislation to which the Company is subject (i) as a listed issuer; (ii) as an entity adhering to the Corporate Governance Code, specifically for recommendations aimed at "big companies" with "unconcentrated ownership", by virtue of Snam's relatability within these types of issuers; and (iii) as an entity adhering to the national and international best practices against which the Company measures itself. The corporate governance system also pays special attention to compliance with the Unbundling Regulations, in view of the specific features of the business conducted by Snam and by its Subsidiaries, subject to the regulation of ARERA.

⁷ For further information, see Section III, Paragraph 1 of the Report.

⁸ For further information, see Section III, Paragraph 4 of the Report.

⁹ For further information on the Board of Directors, see Section III, Paragraph 2 of this Report; for further information on the Committees, see Section III, Paragraph 3 of this report.

4. CODE OF ETHICS

The Code of Ethics defines a shared value system, expresses Snam's business ethics culture and it forms the basis for the Company's strategic thinking and the conduct of its business.¹⁰ In particular, the Code of Ethics:

- (i) expresses the values with which Snam identifies, such as compliance with the law, transparency, honesty, fairness, good faith, and full compliance with the rules on the protection of competition;
- (ii) contains rules of conduct for relations with stakeholders (employees, customers, shareholders, commercial and financial partners, and the community where the Company is present with its activities);
- (iii) prohibits, without exception, any form of corruption, illegal favours, collusive conduct, and the solicitation, directly and/or through third parties, of personal and career benefits for oneself or others.

The Code of Ethics represents, among other things, a mandatory general principle of the 231 Model. The Board of Directors has assigned to the Supervisory Body¹¹ the role of Code of Ethics Supervisor, to which the following may be submitted:

- requests for clarification and interpretation of the principles contained in the Code of Ethics;
- suggestions relating to the application of the Code of Ethics;
- notifications of breaches of the Code of Ethics.

The Code of Ethics is available on the Company's website

(http://www.snam.it/export/sites/snam-rp/repository/file/Governance/codice-etico/Codice_Etico.pdf)

¹⁰ The Code of Ethics was most recently approved by the Board of Directors on 30 July 2013.

¹¹ The Supervisory Body was established pursuant to Legislative Decree No. 231 of 8 June 2001.

SECTION II: SNAM'S OWNERSHIP STRUCTURE

30 SECTION II

SNAM'S OWNERSHIP STRUCTURE

- | | | | |
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| 32 | 2. Significant shareholdings | 36 | 8. Change-of-control clauses and provisions on takeover bids |
| 33 | 3. Restrictions on the transfer of shares and voting rights | 36 | 9. Powers to increase the share capital and authorisations to buy treasury shares |
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| 34 | 4. Securities that entitle the holder to special rights | 37 | 11. Further information - References |
| 34 | 5. Special powers of the State | | |
| 35 | 6. Mechanism for exercising voting rights in a possible employee share ownership system | | |

1. STRUCTURE OF SHARE CAPITAL AND CHANGES IN SHAREHOLDER STRUCTURE AND MARKET CAPITALISATION

The fully subscribed and paid-up share capital is €2,735,670,475.56, divided into 3,360,857,809 ordinary registered shares, with no nominal value indicated.

SHARE CAPITAL STRUCTURE

Share class	No. of shares	No. of voting rights	Proportion of share capital (%)	Listing market	Rights and obligations
Ordinary shares with no nominal value	3,360,857,809	1	100	Euronext Milan organised and managed by Borsa Italiana S.p.A.	The shares are indivisible, and each share entitles the holder to one vote. Shareholders may exercise corporate and ownership rights, subject to the limits set by the regulations in force and by the Articles of Association

As at 31 December 2022, the Company held 8,101,437 treasury shares, equal to 0.241% of the share capital. The floating capital was 67%.

The Company's market capitalisation increased from 17,343 million euro as at 31 December 2021 to 15,178 million euro as at 31 December 2022 (based on an official price of 4.527 euro per share and a total number of outstanding shares of: 3,352,756,372).

2. SIGNIFICANT SHAREHOLDINGS

The table below shows shareholders with equity investments of more than 3% in Snam's share capital, as indicated from the findings of Snam's shareholders' ledger, communications made to Consob, and other information available to the Company.

Declarant	Direct shareholder	Proportion of ordinary (and voting) share capital (%)
Cdp S.p.A.	Cdp Reti S.p.A.(1)	31.352
		7.460
	Minozzi Romano	3.773
	Iris Ceramica Group S.p.A.	2.526
	GranitiFiandre S.p.A.	0.835
MINOZZI ROMANO	Finanziaria Ceramica Castellarano S.p.A.	0.326
LAZARD ASSET MANAGEMENT LLC.		4.961
BLACKROCK INC.		4.941

3. RESTRICTIONS ON THE TRANSFER OF SHARES AND VOTING RIGHTS

The Articles of Association do not establish any restrictions on the transfer or limitations on the ownership of shares of the Company. However, the provisions of law described below do establish a number of restrictions on the transfer and ownership of shares in Snam.

3.1 Unbundling Regulations

The Prime Ministerial Decree of 25 May 2012, as amended by the Prime Ministerial Decree of 15 November 2019 (the "DPCM"), establishes the "Criteria, conditions and procedures which Snam S.p.A. is required to follow to adopt the ownership unbundling model of the national gas transportation network and ensure the full separation of Snam S.p.A. from vertically integrated companies producing and supplying natural gas and electricity".

In accordance with the ownership unbundling regime, on 15 October 2012, Cdp Reti S.p.A. ("Cdp Reti") (then a wholly-owned subsidiary of Cdp) acquired 30%, minus one share, of Snam's share capital from Eni S.p.A. Eni S.p.A. subsequently reduced its interest and now does not have a stake in the Company's capital.

In order to ensure that Snam is fully separated, the DPCM¹² also provides that:

- (i) even if Snam is included in "separate management" activities of Cdp, all decisions relating to the management of equity investments in Snam are adopted by the Board of Directors of Cdp as if the equity investment were part of its "ordinary management" operations, i.e. the Ministry of Economy and Finance will have no power to guide such decisions and the members of the Board of Directors of Cdp in charge of "separate management" activities will not be able to influence them;
- (ii) the members of the administrative or control bodies, as well as those with managerial functions at Eni S.p.A. or its subsidiaries, may not be members of the administrative or control bodies or hold managerial positions at Cassa Depositi e Prestiti S.p.A. or Snam S.p.A. or their subsidiaries, if the latter operate in the natural gas transport or electricity transmission sector, nor may they have any direct or indirect

professional or financial relationship with such companies; similarly, members of the administrative or control bodies, and those with managerial positions at Cassa Depositi e Prestiti S.p.A. who have a direct or indirect professional or financial relationship with companies operating in the natural gas transport or electricity transmission sector, at Snam S.p.A., Terna S.p.A. and their subsidiaries operating in the natural gas transport or electricity transmission sector, may not be members of the administrative or control bodies or hold managerial positions at Eni S.p.A. or its subsidiaries, nor enter any direct or indirect professional or financial relationship with these companies

The voting rights attached to shares acquired (including through deeds, transactions or agreements of any kind), as well as to shares already held, directly or indirectly, by gas and/or electricity producers or suppliers or by their parent companies, subsidiaries or associates pursuant to the Italian Civil Code, and any powers of appointment pertaining to them, shall be restricted in compliance with the applicable legislation¹³, which governs the ownership unbundling model. This article provides that the same party (whether a natural person or legal entity) may not:

- (i) exercise control, directly or indirectly, over an undertaking that produces or supplies natural gas or electricity and at the same time exercise control or rights, directly or indirectly, over a natural gas or electricity transmission system operator or over a natural gas or electricity transmission system;
- (ii) appoint members of the Supervisory Body, the Board of Directors or the bodies that legally represent the Company within a transport system operator or a transport system and, simultaneously, directly or indirectly control or hold rights over natural gas production or supply operations¹⁴.

In accordance with the aforementioned provisions, the shareholders that produce and sell gas and/or electricity are forbidden from exercising voting rights at the Company's Shareholders' Meetings. Therefore, they hold only the ownership rights to the shares they hold in Snam.

¹² See Article 2 of the DPCM.

¹³ In this regard, see Article 19 of Legislative Decree No. 93 of 1 June 2011 "Implementation of Directives 2009/72/EC, 2009/73/EC and 2008/92/EC on common rules for the internal market in electricity, natural gas and a Community procedure on the transparency of prices to the industrial final consumer of gas and electricity, and repeal of Directives 2003/54/EC and 2003/55/EC".

¹⁴ Such rights include the power to exercise voting rights and to appoint members of the Supervisory Body, Board of Directors or bodies that legally represent the company.

As a result of the legislative changes and Eni S.p.A.'s consequent loss of control over Snam, on 14 November 2013, ARERA adopted Resolution 515/2013/R/gas, implementing its decision to definitively certify Snam Rete Gas as a natural gas transportation system operator under the ownership unbundling regime. By Resolution 318/2016/R/GAS of 16 June 2016, adopted following Cdp's sale of shares in Cdp Reti to the company State Grid Europe Limited ("State Grid Europe"), ARERA confirmed that the requirements laid down in the applicable ownership unbundling regulations in force continued to be met.

Finally, by resolution 589/2018/R/GAS of 20 November 2018, ARERA certified Infrastrutture Trasporto Gas S.p.A., acquired by Snam (which owns 100% of the share capital) in October 2017, as a natural gas transportation system operator under the ownership unbundling regime.

On the occasion of the acquisition by Snam, through its subsidiary Snam 4 Environment, of an 83% stake in Renerwaste S.r.l, one of the largest companies active in Italy in biogas and biomethane infrastructure, Snam Rete Gas S.p.A. and Infrastrutture Trasporto Gas S.p.A. filed an application and the documentation required by Resolution ARG/Com 153/11, in order to be re-certified – as operators of a transportation system according to the model of ownership unbundling – pursuant to Article 9 of Legislative Decree No. 93/2011, as well as pursuant to Articles 19 et seq. of Attachment A to

Resolution 153/11. The re-certification process was still in progress at the date of this Report.

By Resolution 570/2020/R/GAS of 28 December 2020, ARERA initiated a proceeding for the re-certification of Snam Rete Gas S.p.A. and Infrastrutture Trasporto Gas S.p.A. as natural gas transmission system operators under the ownership unbundling model. The re-certification process is as of the date of this Report still in progress.

By Resolution 501/2022/R/GAS of 21 October 2022, ARERA issued its decision on the preliminary certification of Snam Rete Gas S.p.A. and Infrastrutture Trasporto Gas S.p.A. as natural gas transmission system operators under ownership unbundling. Subsequently, by decision C(2023) 914 final of 3 February 2023, the European Commission issued its opinion on the certification of Snam Rete Gas S.p.A. and Infrastrutture Trasporto Gas S.p.A. as gas transmission system operators. This opinion is not binding but will have to be taken into the highest consideration by ARERA. According to the applicable legal and regulatory framework, therefore, it is now expected that ARERA will issue the final decision on the certification of Snam Rete Gas S.p.A. and Infrastrutture Trasporto Gas S.p.A. upon the conclusion of the recertification procedure of the two natural gas transmission system operators according to the ownership unbundling model.

4. SECURITIES THAT ENTITLE THE HOLDER TO SPECIAL RIGHTS

The Company's Articles of Association do not provide for the issuance of multiple voting shares or loyalty shares.

The Company has not issued any securities that entitle the holder to special control rights.

5. SPECIAL POWERS OF THE STATE

Snam, to the extent that it holds assets strategically important for the national interest in the energy sector, in accordance with the provisions of Presidential Decrees No. 179 and No. 180 of December 2020, is subject to the regulations on special powers of the Italian State in strategic sectors set forth in Decree-Law No. 21 of 15 March 2012 (as subsequently amended)¹⁵.

¹⁵ To the extent of interest to Snam, these regulations provide for the following notification requirements:

- (i) in case of changes in the ownership, control, availability or destination of networks, plants, assets and relationships of strategic importance for the national interest (so-called "Relevant Assets"). Resolutions of the Shareholders' Meeting or administrative bodies concerning the transfer of Subsidiaries holding the aforementioned Relevant Assets shall be notified within the same terms. After the lapse of 45 days from the notification without the Prime Minister having communicated any veto or imposed prescriptions or conditions aimed at ensuring the protection of public interests, the transaction may be carried out;
- (ii) in the event of the purchase of shares in a company holding Relevant Assets.

If the purchase entails a threat of serious harm to the essential interests of the State or a danger to security or public order, the Prime Minister may:

- (i) condition the effectiveness of the purchase on the buyer's assumption of commitments aimed at ensuring the protection of the aforementioned interests;
- (ii) oppose the purchase, in exceptional cases of risk for the protection of the aforementioned interests which cannot be eliminated through specific commitments.

6. MECHANISM FOR EXERCISING VOTING RIGHTS IN A POSSIBLE EMPLOYEE SHARE OWNERSHIP SYSTEM

Pursuant to the Consolidated Financial Act, the articles of association of companies with listed shares may contain provisions aimed at facilitating the expression of voting by proxy by employee shareholders, thus favouring their involvement in the decision-making processes of the shareholders' meetings. In this regard, Snam's Articles of Association expressly provide that the Company shall make available to shareholders' associations that meet the requirements set out in the relevant legislation, in accordance with the

terms and procedures agreed from time to time with their legal representatives, spaces necessary for the communication and performance of the activity of collecting proxies from shareholders employed by the Company and its Subsidiaries. To date, the Company has not been notified of the establishment of any employee shareholders' association that meets the requirements identified by the Consolidated Financial Act and to which the above-mentioned provisions of the Articles of Association apply.

7. SHAREHOLDER AGREEMENTS

The main direct shareholder of Snam is Cdp Reti the main shareholders of which are Cdp (59.1%) and State Grid Europe (35%), a company wholly owned by State Grid International Development Limited.

Cdp, State Grid Europe and State Grid International Development Limited are parties to a shareholders' agreement dated 27 November 2014, and lastly amended on 7 November 2016 (the "**Shareholders' Agreement**").

The Shareholders' Agreement – which has a term of three years from the signing date, and will renew automatically for successive three-year periods, unless one of the parties withdraws – governs, inter alia, certain aspects relating to Snam's corporate governance. Specifically:

- as long as State Grid Europe holds a shareholding of at least 20% in Cdp Reti, State Grid Europe shall be entitled to appoint a candidate to be included on the list of candidates for the office of director of Snam, which will be submitted by Cdp Reti at the Shareholders' Meeting called to appoint members of the Board of Directors;
- State Grid Europe's candidate must be included on the list submitted by Cdp Reti in a position that guarantees

his/her appointment to the position of director of Snam if the Cdp Reti's list obtains a majority of votes at the Shareholders' Meeting;

- State Grid Europe has undertaken to ensure that the director it appoints to Snam's Board of Directors (if and to the extent that said director is not independent pursuant to Article 148 of TUF) shall refrain, to the maximum extent permitted by law, from receiving information and/or documentation from Snam in relation to matters on which there is a conflict of interests for State Grid Europe and/or any affiliated party, in relation to business opportunities in which Snam on the one hand, and State Grid Europe and/or an affiliated party on the other, have an interest and may be in competition. Furthermore, the said director may not take part in the discussions of the said matters at the Board of Directors of Snam.

The essential information pertaining to the Shareholders' Agreement is available on the Company's website (http://www.snam.it/it/investor-relations/azionariato/patti_parasociali/).

8. CHANGE-OF-CONTROL CLAUSES AND PROVISIONS ON TAKEOVER BIDS

Snam and its Subsidiaries have entered into loan agreements containing specific clauses applicable in the event of a change of control of the Company.

Specifically, these are bank financing agreements that allow the other party to terminate the contract prematurely, either after an entity or entities acting in concert, other than Cdp, gain control of Snam, or when this also entails a downgrade of Snam's credit rating to below predetermined thresholds following this acquisition of control¹⁶.

The Articles of Association do not provide for any exceptions to the provisions on the passivity rule provided for by Article 104, paragraphs 1 and 2 of TUF¹⁷. Nor do they provide for the application of the neutralisation rules set out in Article 104-bis, paragraphs 2 and 3 of TUF¹⁸.

9. POWERS TO INCREASE THE SHARE CAPITAL AND AUTHORISATIONS TO BUY TREASURY SHARES

The Company's Board of Directors does not have the power to increase the share capital.¹⁹ The Articles of Association provide that the Company may issue shares, including special classes of shares, to be allotted free of charge²⁰.

The Company's Ordinary Shareholders' Meeting of 27 April 2022 revoked the unimplemented part of the authorisation granted on 28 April 2021 and authorised a plan to purchase treasury shares for a maximum outlay of 500 million euros, without in any case exceeding 6.5% of the share capital subscribed and paid in respect of the treasury shares already held by the Company, to be carried out, on one or more occasions, within 18 (eighteen) months of the date of the Shareholders' meeting.

The authorisation to purchase treasury shares is for the following purposes: (i) to undertake activities to promote liquidity and manage the volatility of the Company's share price and, in particular, to act in the context of contingent market situations, facilitating trading in the stock at

times of low liquidity in the market and encouraging the normal course of trading; (ii) as part of actions related to future industrial and financial projects consistent with the strategies that the Company intends to pursue, including by means of the exchange, trading, contribution, sale or other act of disposal of treasury shares for the acquisition of equity investments or share packages, for industrial projects or other extraordinary financial transactions involving the allocation or disposal of treasury shares; (iii) the execution of current share-based incentive plans of the Company and any future share-based incentive plans; and (iv) to increase value for the shareholder also through improvement of the Company's financial structure and through possible subsequent cancellation of treasury shares without reducing the share capital, in compliance with the necessary corporate requirements.

Treasury shares held at 31 December 2022 amounted to 8,101,437, representing 0.241% of the share capital.

¹⁶ Further information on the financial agreements can be found in the 2022 Annual Financial Report, under Note 18.2.

¹⁷ Article 104 paragraph 1, TUF: "Except with the authorization of the ordinary or extraordinary shareholders' meeting for resolutions within its competence, listed Italian companies whose securities are the subject of the offer shall refrain from performing acts or transactions that may conflict with the achievement of the objectives of the offer. [...] The mere pursuit of other offers does not constitute acts or operations in conflict with the objectives of the offer."

¹⁸ Article 104-bis, paragraph 2, TUF: "During the period of acceptance of the offer, the limitations on the transfer of securities provided for in the Articles of Association shall have no effect with respect to the bidder, nor shall the limitations on voting rights provided for in the Articles of Association or in Shareholders' Agreements [...] have any effect in the meetings called to decide on the acts and transactions provided for in Article 104."

¹⁹ In this regard, see Article 2443 of the Italian Civil Code.

²⁰ In this regard, see Article 2349 of the Italian Civil Code.

10. DIRECTION AND COORDINATION ACTIVITIES

The shareholder Cdp declared, in its 2014 Annual Financial Report, with effect from the reporting date of the financial statements as of 31 December 2014, the existence of a de facto controlling stake in Snam S.p.A. in accordance with IFRS 10 – Consolidated Financial Statements. Given that, Cdp, with a communication dated 30 October 2013, transmitted to ARERA, formally declared that it does not exercise direction and coordination activities with regard to Snam²¹. By resolution of 1 August 2019, the Board of Directors of Cdp classified this participatory relationship with Snam as de facto control, also pursuant to Article 2359, paragraph 1, No. 2) of the Italian Civil Code and Article 93 of TUF. Cdp has confirmed that it does not exercise direction and coordination activities with regard to Snam and its Subsidiaries.

On 11 December 2018, Snam's Board of Directors adopted the Corporate Governance and Unbundling guidelines, last amended by resolution of 30 June 2022 (the "**Guidelines**") with the aim of ensuring, within the Snam Group, full compliance with current legal, regulatory and self-regulatory legislation, as well as, to the extent necessary, the coordination and harmonization of the choices adopted by the Subsidiaries with those of Snam, within the framework of a unified group strategy, also in order to achieve a more effective monitoring of risks for maximisation of value for shareholders and a focus on qualified stakeholders in the areas in which Snam operates, in compliance with current legislation in the relevant

jurisdictions.

The Corporate Governance and Unbundling Guidelines are adopted by the administrative bodies of the Subsidiaries.

The Corporate Governance and Unbundling Guidelines are available on the Company's website https://www.snam.it/export/sites/snam-rp/repository/file/Governance/systema_corporate_governance/00396_linee_guida_corp_gov_unbundling_definitiva.pdf

As of 31 December 2022, Snam exercises direction and coordination activity with respect to all the above-defined Subsidiaries including Ariano Biometano Società Agricola a R.L., Biogas Brusco Società Agricola a R.L., Cà Bianca Società Agricola a R.L., EBS Società Agricola a R.L., Maiero Energia Società Agricola A R.L., Motta Energia Società Agricola a R.L., MZ Biogas Società Agricola Società a R.L. with the exception of Società Agricola Agrimetano S.r.l., Società Agricola San Giuseppe Agroenergia S.r.l., Società Agricola Carignano Biogas S.r.l., Emiliana Agroenergia Società Agricola S.r.l. and Piacentina Agroenergia Società Agricola S.r.l., Golar LNG NB13 Corporation, Snam Energy Services Private Ltd.

11. FURTHER INFORMATION – REFERENCES

Information²² on the agreements between the Company and the directors which provide for compensation in the event of resignation or dismissal without just cause or in the event of termination of their employment as a consequence of a takeover bid can be found in the specific Remuneration Policy Report, published as required by law and available on the Company's website.

The information relating to the rules applicable to the appointment and replacement of directors can be found in Section III, Paragraph 2 of this Report on the Board of Directors.

The information²³ relating to the rules applicable to the amendment of the Articles of Association, if different from the legislative and regulatory provisions that are additionally applicable, can be found in Section III, Paragraph 1 of this Report focused on the Shareholders' Meeting.

²¹ Specifically, Cdp has declared: (i) that it does not carry out direction and coordination activities with respect to Snam and its subsidiaries; (ii) that it exercises, with respect to Snam, only the administrative and equity rights to which it is entitled as a shareholder without exercising the power to influence or limit in any way the free management choices of the administrative body of the latter and its Subsidiaries, including with respect to investments, business plans and commercial strategies; (iii) not to receive any commercially sensitive or privileged information on the activities of Snam and its Subsidiaries, except for information made available to all market participants equally and without discrimination. For further information, see ARERA's resolution 515/2013/R/GAS. of 14 November 2013.

²² In this regard, see the information required by Article 123-bis, paragraph 1, letter i) of TUF.

²³ In this regard, see the information required by Article 123-bis, paragraph 1, letter l), of TUF.

SECTION III: SNAM'S CORPORATE GOVERNANCE SYSTEM

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SNAM'S CORPORATE GOVERNANCE SYSTEM

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1. SHAREHOLDERS' MEETING AND SHAREHOLDERS' RIGHTS

1.1 Overview and quorums

The Shareholders' Meeting is the shareholders' decision-making body. The Shareholders' Meeting shall be responsible for the matters provided for by law, except for the power of the Board of Directors to resolve on proposals concerning: (i) mergers in the cases referred to in Articles 2505 and 2505-bis of the Italian Civil Code, also as referred to for demergers; (ii) the establishment, modification and elimination of secondary offices; (iii) the reduction of the share capital in the event of withdrawal of shareholders; (iv) the adaptation of the Articles of Association to regulatory provisions; (v) the transfer of the registered office within Italy.

The course of shareholders' meetings is governed by the Regulation for Shareholders' Meetings approved by the Company's ordinary Shareholders' Meeting, as set out in Paragraph 1.2 below.

ORDINARY SHAREHOLDERS' MEETING (SINGLE CALL)

Constituent quorum

Not applicable

Quorum to pass resolutions

A majority of those in attendance in person or by proxy²⁴

EXTRAORDINARY SHAREHOLDERS' MEETING (SINGLE CALL)

Constituent quorum

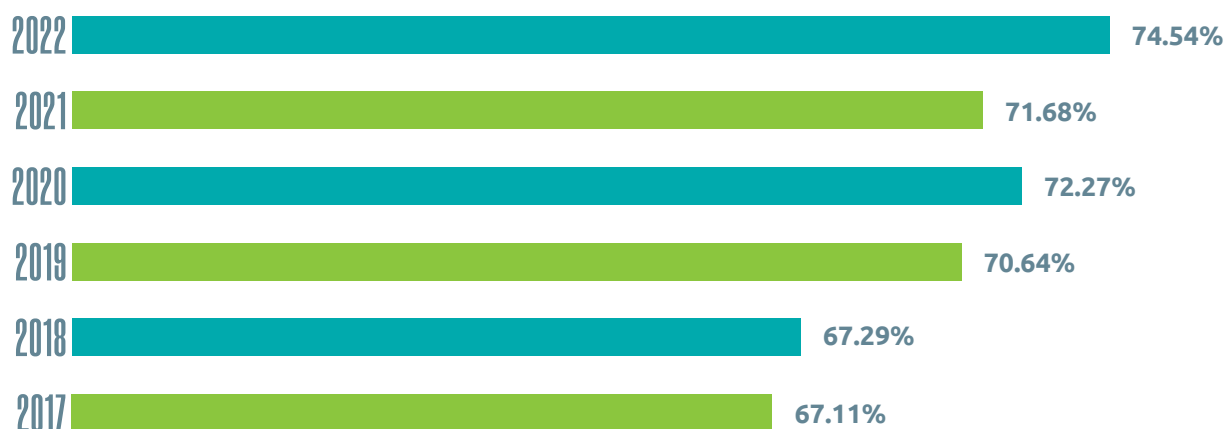
At least one-fifth of the share capital

Quorum to pass resolutions

At least three-quarters of the share capital represented at the Shareholders' Meeting

The following table shows the attendance rates at Ordinary and Extraordinary Shareholders' Meetings held from the 2017 financial year.

PERCENTAGE PARTICIPATION IN MEETINGS 2017 - 2022 (% OF THE SHARE CAPITAL)



²⁴ With the exception of specific matters that require a majority of three-quarters of the share capital.

In order to facilitate the expression of votes by proxy by employee shareholders, thereby favouring their involvement in the decision-making processes at shareholders' meetings, Snam's Articles of Association expressly provide that the Company shall make available to shareholders' associations that meet the requirements set out in the relevant legislation, according to the terms and procedures agreed from time to time with their legal representatives, spaces necessary for communicating and carrying out the activity of collecting proxies from shareholders employed by the Company and its Subsidiaries.

1.2 Shareholders' Meeting regulation and shareholders' rights

Snam established its Shareholders' Meeting Regulation in 2001.

The Shareholders' Meeting Regulation is available on the Company's website (https://www.snam.it/export/sites/snam-rp/repository/ENG_file/Governance/Social_bodies/Shareholders_meeting/Regulation_meetings/regolamento_assemblee.pdf).

For further information on the functioning of the Shareholders' Meetings and related rights granted to shareholders, see Annex 2 to this Report.

1.3 Shareholder's Meetings held in 2022

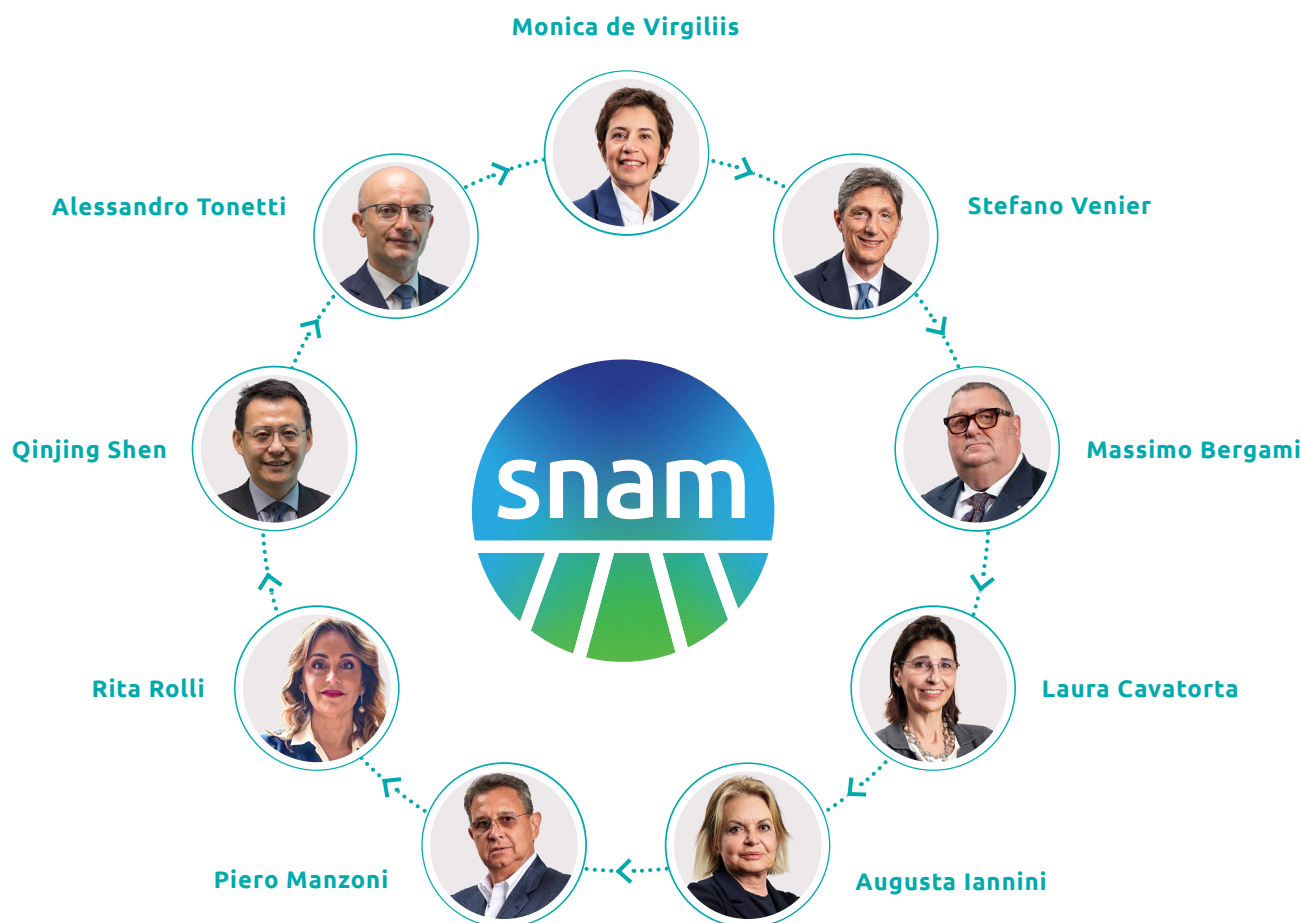
In the financial year 2022 the Shareholders' Meeting took place only once on 27 April 2022, in ordinary session, and resolved:

- to approve the financial statements as at 31 December 2021, allocation of profit for the year and distribution of the dividend;
- to authorise the purchase and sale of treasury shares, subject to revocation of the authorisation granted by the Ordinary Shareholders' Meeting on 28 April 2021 for the unperformed part;
- on the Report on the remuneration policy and compensations paid pursuant to Article 123-ter of TUF;
- the determination of the number, term of office, appointment and determination of remuneration of the members of the Board of Directors of Snam for the three-year period 2022-2024, as well as the appointment of the Chair of the Board of Directors;
- the appointment and determination of the remuneration of members and the Chair of the Board of Statutory Auditors.

This meeting was attended by all the members of the Board of Directors except for directors Qinjing Shen and Alessandro Tonetti, with excused absence.

In view of the persistence of the health emergency from the "COVID-19" epidemic and taking into account the measures aimed at containing the contagion, the Company availed itself of the option provided for by Article 106, paragraph 4, of Decree-Law No. 18 of 17 March 2020, concerning "Measures to strengthen the National Health Service and economic support for families, workers and businesses related to the epidemiological emergency from COVID-19", as time-to-time amended, providing that intervention at the Shareholders' Meeting by those entitled to vote could take place exclusively through the Representative Appointed by the Company pursuant to Article 135-undecies of the TUF.

2. SNAM'S BOARD OF DIRECTORS



2.1 Role of the Board of Directors

The Board of Directors plays a central role in the Company's corporate governance structure, defining the strategic, organisational and control policies of the Company and its Subsidiaries and monitoring the relevant implementation, in a manner consistent with the statutory corporate purpose "Energy to inspire the world", with a view to (i) promoting the energy transition towards forms of resources and energy use compatible with environmental protection and progressive decarbonisation and (ii) pursuing sustainable success through the creation of long-term value to the benefit of shareholders, taking into account the interests of other stakeholders relevant to the Company.

The Board of Directors is indeed vested with the broadest powers for the ordinary and extraordinary administration of the Company. It is entitled to adopt any measures it deems necessary in order to implement and achieve the corporate objective, with the sole exception of measures that are reserved, by the law or by the Articles of Association, for the Shareholders' Meeting. The Board of Directors appoints the Chair, if the Shareholders' Meeting has not already done so, delegates its powers to one or more of its members and may set up internal Committees.

Pursuant to Article 2381 of the Italian Civil Code, Snam's Board of Directors has assigned itself a series of powers, in addition

to those which by law cannot be delegated and those set out in the Corporate Governance Code.

A description of the powers that the Board has assigned itself pursuant to Article 2381 of the Italian Civil Code is available on the Company website (https://www.snam.it/export/sites/snam-rp/repository/file/Governance/sistema_corporate_governance/Attribuzioni_riservate_ex_art._2381_cc.pdf) and shown in the table in Annex 4.

The Shareholders' Meeting has not authorised, in general or as a preventive measure, any exemptions from the prohibition on competition pursuant to Article 2390 of the Italian Civil Code.

2.2 Snam's Board of Directors

(i) General profiles, election and replacement

The Company shall be managed by a Board of Directors numbering no fewer than five and no more than nine members, with their number and term of office being established by the Shareholders' Meeting at the time of election.

For a description of the provisions of the Articles of Association governing procedures for the appointment of the Board of Directors and the term of office, termination and dismissal of its members, see Annex 3 to this Report. In accordance with Consob determination No. 76 of 30 January 2023, the minimum shareholding required for the submission of lists of candidates for the election of Snam's corporate bodies of administration and control is equal to 0.5%.

All candidates to the office of director must meet the integrity requirements prescribed by regulations in force. Moreover, as indicated in Article 13.3 of the Articles of Association, pursuant to the Decree of the President of the Council of Ministers of 25 May 2012, setting forth "Criteria, conditions and terms for the adoption of the model for the demerger of Snam S.p.A., in accordance with Article 15, of Law no. 27 of 24 March, 2012", the directors may not be appointed to offices in administrative or control bodies or in managerial positions at ENI S.p.A. and its subsidiaries, nor may they entertain any direct or indirect, professional or financial relationship with the aforementioned companies.

For information on board evaluation and succession plans, please refer, respectively, to Paragraphs 2.13 and 2.14 of this Section.

(ii) Composition of Snam's Board of Directors

Appointment	27 April 2022
Duration	Three financial years
Expiry	Approval of the financial statements as at 31 December 2024
Members	9
Executive	1
Independent	6 (independent pursuant to the TUF and the Corporate Governance Code) ²⁵
Committees	<ul style="list-style-type: none"> • CRRPTC • ACC • ESGETSC

With reference to the financial year 2022, it should be noted that, by letter dated 28 January 2022, Director Yunpeng He - a non-executive and non-independent member of the Board of Directors in office for the three-year period 2019-2021 - due to supervening professional commitments, resigned from his position as a Director of Snam, effective upon the Company's appointment of a new director to replace him. Directors and Statutory Auditors were promptly informed of this resignation. Director Yunpeng He had been appointed by the

Shareholders' Meeting of 2 April 2019, and was drawn from the list expressed by Shareholder Cdp Reti.

On 17 February 2022, the Board of Directors, after verifying the relevant requirements, appointed Qinjing Shen to the position of Director of Snam to replace Yunpeng He, pursuant to Article 2386, first paragraph, of the Italian Civil Code, with a resolution approved by the Board of Statutory Auditors. Director Qinjing Shen was also identified by the Company's Board of Directors as a member of the Environmental Social & Governance Committee, replacing Yunpeng He. In accordance with the same Article 2386, first paragraph, of the Civil Code, Qinjing Shen remained in office until the following Shareholders' Meeting held on 27 April 2022.

When the Board of Directors was renewed on 27 April 2022, the following two lists of candidates were submitted:

- (i) a list of 7 candidates submitted by Cdp Reti; and
- (ii) a list of 3 candidates submitted by institutional investors.

The share capital represented at the Shareholders' Meeting, and admitted to vote on the appointment of directors through list voting, accounted for 74.54% of the Company's share capital.

The list submitted by Cdp Reti obtained the most votes (39.55% of the share capital), while the list submitted jointly by the institutional investors was voted for by 34.85% of the share capital.

Therefore, based on the provisions in the Articles of Association on the applicable list voting mechanism, 6 candidates were appointed from the majority list submitted by Cdp Reti and 3 from the list presented by the institutional investors.

The Table 1 of the Section VI shows key information on the composition of the current Board of Directors of the Company, including which lists the current Directors were appointed from and which directors meet the independence requirements pursuant to the TUF and the Corporate Governance Code²⁶.

Currently four out of nine members of the Board of Directors are women. The number of women complies with the provisions of the gender balance legislation applicable at the time of appointment by the Shareholders' Meeting of 27 April 2022²⁷. Moreover, two out of the three Board Committees are chaired by women.

²⁵ As specified in the table below.

²⁶ Further information on the lists of candidates is available on the Company website (<http://www.snam.it/it/etica-governance/assemblee-degli-azionisti/>).

²⁷ It should be noted that Article 147-ter, paragraph 1-ter of TUF was most recently amended by Law No. 160 of 27 December 2019, which provided for a different quota for the less-represented gender of at least two-fifths of the elected directors.

The periodic assessment of the compatibility of the offices of director or statutory auditor held by the directors with the effective performance of the office of director in Snam and of the absence of causes of incompatibility and ineligibility, and of the possession of the requirements provided for by applicable regulation and by the Articles of Association by the directors and the Financial Reporting Officer was lastly carried out at the Board meeting of 15 February 2023²⁸.

With regard to the professionalism and skills held by the Directors, the Board of Directors has adopted a board skill matrix through which the Board assesses, according to objective criteria, its existing skills and any areas of possible

improvement (through board induction initiatives that allow for the further development of Directors' skills and the acquisition of specific industry expertise). All the Directors have the professionalism and the expertise appropriate for the tasks entrusted to them, as described in the Executive Summary.

For further information on the professional skills and characteristics, as well as other offices held by the Directors, please refer to number (iii) below.

(iii) *Our Directors*

A short biography of each director of the Company currently in office is provided below²⁹.



Monica de Virgiliis

Nationality: Italian and French

Professional background: manager

Monica de Virgiliis, born in Turin in 1967, has been Chair of Snam since April 2022, which is one of the leading players in the energy infrastructure industry worldwide. Between 2016 and 2019 she already held the office of Independent Director and chaired the Compensation Committee at Snam.

Monica de Virgiliis has achieved a wide range of business experience in various high-tech strategic sectors, alternating between operating management and strategic management roles, and intervening as a leader in business model and value chain turnaround in markets impacted by digitalisation.

After dedicating the first part of her career to the semiconductor industry, holding different positions including General Manager of the Wireless Multimedia Division of STMicroelectronics in Geneva and of the Industrial Microcontroller Division of Infineon Technologies in Munich, since 2017 she has been committed to applying her technological experience to the world of energy transformation.

From 2017 to 2019, she was Chief Strategy Officer of the Commissariat à l'Énergie Atomique et aux Énergies Alternatives in Paris (CEA).

From 2015 to 2021 she sat in the Board of Directors of Prysmian, from 2019 to 2021 she was on the Board of Directors of the French Company Geodis and from 2021 to 2022 she was on the Board of Directors of Saras. She is currently an Independent Director of ASM International N.V., a high-tech Dutch company, listed in Amsterdam, and one of the main suppliers of machines for the semiconductor industry and of Airliquide S.A., a French-listed company and a world leader in the market for technical gases for industrial and sanitary applications.

Determined to contribute to the energy transition and to the transformation of the industry in line with the Paris Agreement, she founded and is Chair of the company Chapter Zero France, a platform for dialogue between directors, investors and regulators of the Climate Governance Initiative, the result of a collaboration with the World Economic Forum in 2019.

Monica de Virgiliis graduated with honours in Electrical Engineering from the Turin Polytechnic University. She is trilingual in French, English and Italian.

²⁸ Article 147-quinquies of TUF provides that "persons performing administrative and management functions shall meet the integrity requirements established for members of the supervisory bodies by the regulation issued by the Minister of Justice pursuant to Article 148, paragraph 4 of TUF." These requirements were determined by Article 2 of the Decree of the Minister of Justice No. 162 of 2000, "Regulation containing rules for establishing the requirements of professionalism and integrity of members of the board of statutory auditors of listed companies to be issued under Article 148 of the TUF".

²⁹ For the full versions of the CVs of each director of the Company currently in office, visit the following web site: <http://www.snam.it/it/etica-governance/consiglio-di-amministrazione/>.



Stefano Venier

Nationality: Italian
Professional background: manager

Stefano Venier, born in Udine in 1963, since April 2022 is the Chief Executive Officer of Snam, one of the leading companies in the energy infrastructure industry worldwide.

He has more than 30 years of managerial experience in the energy and utility sectors, both in Italy and internationally.

From 2014 to 2022 he was the Chief Executive Officer of Hera, a multiutility company listed on the Stock Exchange and active in the following sectors: energy, energy networks, water and the environment. At Hera he was also General Manager of Development and Energy Markets (2008-2014) and the Head of Business Development, Strategic Planning and Regulatory Affairs (2004-2008).

From 1996 to 2004 he worked in the international consultancy company A.T Kearney where he was a Senior Consultant in the energy, telecommunications and

automotive fields and later Vice-Chairman of Energy & Utilities, working with some of the leading operators of the sector in Italy and Europe.

From 1989 to 1996 he worked for the Eni Group in positions of increasing responsibility, both at national and international level, in areas such as Strategic Planning, Market Analysis and Strategic Projects within the petrochemical sector.

He began his career in 1987 with Electrolux, where he worked in the industrial automation division.

He graduated in IT from the University of Udine and completed a Master's degree in Energy and Environmental Management and Economics from the Scuola Superiore Mattei.

He is a Member of the Board of Directors of the MIB Trieste School of Management, as well as of Industrie De Nora S.p.A..



Massimo Bergami

Nationality: Italian
Professional background: academic career
Board Committees: ACC; ESGETSC

Massimo Bergami, born in Bologna in 1964, he has been an Independent Director of Snam since 27 April 2022.

He graduated with honours in Economics from the University of Bologna, completed a PhD in Business Management and has gained international experience at the University of Michigan, University of Florida and New York University.

He is currently a Full Professor of Corporate Organisation at the University of Bologna and Dean of the Bologna Business School. He is a non-executive Director on the Board of Directors of Ferrarelle S.p.A. and EFMD, the world association of business schools.

He works in the field of organisational identity and is the author of several essays and publications in international scientific reviews.

He was a Member of the Committee for Natural Capital (Ministry of the Environment and Land and Sea Protection); Economic Director of the Ministry for

Regional Affairs, Tourism and Sport; Coordinator of the White Paper on Innovation and Entrepreneurship and Advisor to the Ministry of the Defence.

He has carried out and continues to carry out activities to support research, innovation and entrepreneurship and since 2013 he has been a Senior Advisor of Fondazione MAST.

He has gained years of experience in the governance of listed companies, as Member of the Control and Risk Committee at Brunello Cucinelli S.p.A. and Telecom Italia Media, member of the Compensation Committee, Control Committee, Lead Independent Director at Ducati Motor Holding S.p.A. and Member of the Strategy Committee at Ferretti Group S.p.A..

He is an Honorary Professor at Nankai University and Mirbis and was awarded the honorary title of Knight and Commander of the Order of Merit of the Italian Republic.



Laura Cavatorta

Nationality: Italian
Professional background: manager
Board Committees: CRRPTC; Chair of the ESGETSC

Laura Cavatorta, born in Treviso in 1964. From 2 April 2019, she is a Director of Snam.

Graduated in sociology with honours.

She has over twenty years of managerial experience in the Alitalia group, holding roles of increasing responsibility, including in operational positions with 3,000-5,000 employees; she also directed the airline Air One from 2012 to 2014, bringing it back into balance.

She has acquired specific expertise in restructuring, mergers, acquisitions and receiverships, and is particularly sensitive to the management of human capital and the many dimensions involved in any corporate change.

She deals with corporate governance, with a specific focus on ESG issues and on the different ways, including the impacts of climate change, of substantiating an approach aimed at sustainable development over time. She follows the B Corp movement and its paradigm of sustainable business, capable of developing profits together with a positive impact on society and the environment. She analyses methodologies and tools to identify and monitor ESG risks in an integrated manner, mapping their

evolutionary dynamics and interconnections with other factors capable of triggering their possible impacts, paying particular attention to the environmental dimension, for aspects related to climate change, and to the social dimension, related to inequalities.

She supports gender equality, the development of female talent and merit-based careers, believing in the need for women to be fully integrated into all spheres of society and deservedly present in top positions.

She is in the boards of directors of the ESG European Institute and Fuori Quota, non-profit organizations active respectively on sustainability and women's empowerment and collaborates in ASviS on the Gender Equality goal of the UN 2030 Agenda.

Since 2018 she is Independent Director of Italian Wireless Infrastructures, for which she is also the Chair of the Sustainability Committee and member of the Nomination and Remuneration Committee.

Since June 2022, she has been an Independent Director of UNIEURO S.p.A. as well as a member of the Sustainability Committee and the Control and Risk Committee.



Augusta Iannini

Nationality: Italian
Professional background: professional career
Board Committees: CRRPTC

Augusta Iannini, born in L'Aquila on 20 January 1950.

She has been an Independent Director of Snam since 27 April 2022.

She graduated with honours in Law from "La Sapienza" University of Rome and has embarked on a brilliant career in law, as a Lawyer and Magistrate from 1977 to 2012, holding the positions, among others, of Investigating Magistrate in criminal matters and Magistrate for preliminary investigations.

Vice Head of Cabinet of the Ministry of Justice since June 2001, from 13 December 2001 to 3 January 2005 she was the Director-General of the Criminal Justice System (with the duty, among others, of assessing codes of conduct drawn up by associations representing organisations, in accordance with Legislative Decree No. 231 of 8 June 2001) and also coordinated activities at the Council of Europe, the European Union, the UN and the OECD.

From 4 January 2005 to 7 June 2008, she was Head of the Justice Affairs Department (dealing, among other things, with the administrative management of judicial activities in civil and criminal matters; preliminary activities required for the Ministry to exercise its powers in proceedings; international cooperation in civil and criminal matters).

Head of the Legislative Office of the Ministry of Justice from 8 June 2008 to June 2012.

She held the position of Vice-Chair of the Italian Data Protection Authority guaranteeing the protection of personal data from 19 June 2012 to 25 June 2020.

She is currently a Member of the Board of Directors of Policlinico San Donato and Chair of the Risk Management Committee of the San Donato-Velca Group; a Member of the Board of Directors of Ospedale San Raffaele S.r.l.; she was a former member of the Board of Directors of Orofin S.p.A. and is now Chair of the Supervisory Bodies of Esselunga S.p.A. and its subsidiaries Atlantic and Esserbella; Vice Chair of the Monitoring Body of the code of conduct for the processing of personal data regarding commercial information.

She is the author of several legal publications.

She has received various awards over the years, including the Bellisario Award for justice in 2009 and was named Knight of the National Order of the Legion of Honour; in 2012 she received the "Anna Maria Mammoliti" Minerva Award in honour of her Career; in 2015 she received the "Stella del Sud 2015" ASSUD Award as a leading woman in the professional world and in 2017 she received the 100 Eccellenze Italiane (100 Italian Excellences) Award.



Piero Manzoni

Nationality: Italian
Professional background: manager
Board Committees: Chair of CRRPTC

Piero Manzoni, born in Bergamo on 8 October 1962.

He has been an independent Director of Snam since 27 April 2022.

He graduated in mechanical engineering, specialising in Technology, from the Polytechnic University of Milan and obtained a Master's degree in Business Administration from the Bocconi University of Milan.

He is the founder and Chief Executive Officer of Neoruralehub, Chief Executive Officer of Neorurale S.p.A., companies focused on climate change and biodiversity, Chief Executive Officer and founder of Simbiosi S.r.l., Vice-Chairman of Confindustria Cisambiente, Member of the European Land Owner & Friends of Countryside, Member of the Board of the Life Sciences Group in Assolombarda.

In 2022, alongside Tamburi Investment Partners and as founder and CEO, he created Simbiosi S.r.l., a company whose objectives include the optimisation of the use of natural resources such as water, soil, air, energy, materials and biodiversity within the agri-food supply chain, and the efficiency of the food cycle (From Farm to Fork and Back to Farm Again), according to the principles of circular economy. The Simbiosi mission is also to offset the effects of climate change with nature-based solutions (NBS) for the use of clean and renewable energy that can be

stored, emissions management systems that use artificial intelligence, and environmental blockchain systems to measure decarbonisation in production processes, absorption systems for CO₂ in the soil according to regenerative ecosystem practices, production of fertilisers and soil conditioners from organic waste fractions, aimed at the development of regenerative farming models according to natural principles, and much more.

From 2009 to 2016 he held the position of Chief Executive Officer and General Manager at Falck S.p.A. and Falck Renewables S.p.A.

From 2006 to 2009 he was the Chief Executive Officer of Atel Energia S.p.A. (now Alpiq), also holding the position of Member of the World Energy Council Italia.

From 2001 to 2006 he worked for Siemens Italia, holding, among others, the position of Managing Director at Siemens Power, Chairman of Telegyr S.p.A., and Chairman of Fiat Avio Power Service and Chairman Vatech Italia, as well as being a member of WEC Italia.

From 1994 to 2001 he held various managerial positions in Italy and abroad and, among other things, he was the CEO and Country Manager of ABB Asea Brown Boveri Libia in Tripoli following his position as General Manager of the Power Solutions Business Area of ABB Italia.



Rita Rolli

Nationality: Italian
Professional background: academic and professional career
Board Committees: Chair of ACC, ESGETSC

Rita Rolli, born in Forlì in 1969.

She has been independent Director of Snam since 2 April 2019.

She graduated in Law with honours from the University of Bologna.

A Court of Cassation lawyer, she carries out her professional activity in the field of civil law, commercial and corporate law - both in and out of court and in arbitration procedures - and corporate crisis resolution (Studio Galgano).

She teaches as a Full Professor of Private Law on the Master's degree programme in Law in the Department of Law at the University of Bologna.

She holds the role of statutory auditor in Sogefi S.p.A.

She is the author of many publications and legal monographs and contributes to the compilation of prestigious legal journals.

Lastly, the research scope of her publications is also geared towards providing answers to climate change issues in the legal sector.



Qinjing Shen

Nationality: Chinese
Professional background: manager
Board Committees: ESGETSC

Qinjing Shen, born in Haining, Zhejiang, on 22 July 1978.

Graduated with Master's Degree in Electrical Power System Engineering from Zhejiang University, China.

Currently a Member of the Board of Directors of Cdp Reti, Italgas S.p.A., Terna S.p.A. and Chief Representative for State Grid in Italy.

He served as Head of Business Development&Strategy Department, State Grid International Development Co., LTD (2016-2021). Among his main functions in this role, he was Key Contact and coordinator of extraordinary transactions for CPFL Energia in Brazil (Scope of transaction: \$9 billion, including Controlling Block transaction, mandatory tender offers for CPFL Energia's minority shareholders, mandatory tender offers for CPFL Renewable, CPFL's Re-IPO). Key player in State Grid's other M&A transactions (Chilquinta, Chile (\$2.5 billion, 2020) CGE, Chile (\$3 billion, 2021)).

SGID created State Grid Brazil Holding (SGBH), which has been engaged in power transmission projects, including Belo Monte UHVDC Transmission Phase II, the world's longest ± 800 kV power transmission line. During the construction process, the team established an integrated plan to protect local animals and vegetation, especially endangered

species. At the end of the project, more than 95 percent of the animals were saved and more than 25 percent of the vegetation was saved from deforestation. The reforestation plan has increased the biodiversity of the ecosystem.

He served as Deputy Director of the Department of Business Development&Strategy, State Grid International Development Co., LTD (2013-2016). Among his main assignments, he was Project Manager and Key Contact of the Cdp Reti transaction (€2.2 billion) in 2014. High-level participation in several M&A transactions in Australia during the same period for State Grid.

He was previously Project Manager of the Business Development&Strategy Department, State Grid International Development Co., LTD (2008-2013). Among major assignments, he was Project Manager for the purchase of 7 transmission concessions in Brazil from Spanish investors (\$1 billion) in 2010. Participation in transactions involving NGCP, Philippines, (2009), REN, Portugal (2011).

He was Dispatching Engineer of the Dispatching Communication Center, Zhejiang Electric Power Company (a subsidiary of State Grid Corporation of China) (2003-2008).

He has been a Director of Snam since 17 February 2022.



Alessandro Tonetti

Nationality: Italian

Professional background: academic and management career

Board Committees: ACC

Alessandro Tonetti, born in Ronciglione (VT) in 1977, is Vice General Manager and Director of Legal, Corporate and Regulatory Affairs at Cassa Depositi e Prestiti S.p.A.

A cum laude graduate in Law, he won two one-year scholarships for specialization courses in Administrative Sciences, with particular reference to Economic Public Law under the direction of Professor Sabino Cassese. Subsequently, he obtained a PhD in Administrative Law and Organization and Functioning of the Public Administration at the Sapienza University in Rome and a postgraduate specialization diploma in European Public Law at the Academy of European Public Law of the Kapodistrian University of Athens, with an in-depth examination on the subject of competition and state aid.

In December 2010 he became a senior executive at Cassa Depositi e Prestiti S.p.A. From June 2013 to February 2016, he was a member of the "Nucleo tecnico per il coordinamento della politica economica" (Technical Team for coordination of economic policy) in support of the Prime Minister's office and then since March 2014 he has held the position of deputy Head of Cabinet of the Ministry of Economy and Finance. In this latter period, as representative for the Ministry of Economy and Finance, he was a member of the "Gruppo di coordinamento per l'attuazione della disciplina dei poteri speciali sugli assetti societari" (Coordination group for the implementation of regulations on special powers on share ownership) operating at the Prime Minister's office.

In the past, he has held managerial and executive roles at the Prime Minister's Office and was a member of

the "Nucleo di consulenza per la regolazione dei servizi pubblici" (Advisory Team for public service regulation), as well as of the Technical Secretariat of the National Management Committee for economic programming, also operating at the Prime Minister's office, in support of the activity of the Inter-ministerial Committee for economic programming.

He teaches a Master's degree course in Administrative Law (since 2003) now at the "Roma Tre" University and a Master's in Economics and Development Policies at the LUISS Guido Carli University (since 2016). In the past, he was a contract professor of Business Administration Discipline at the University of Tuscia (2001-2002) and Media Law at the same university (2005-2010), and of Public Finance Law at the Suor Orsola Benincasa University (2014-2016). He has also given lessons at the School of Public Administration and the School of Economics and Finance. Author of various articles and essays in major law journals on administrative national and European law and on Economic Public law.

He is a member of the Board of Directors of Open Fiber S.p.A., Open Fiber Holdings S.p.A. and Giubileo 2025 S.p.A. and member of the Special Fund Management Committee of the Istituto per il credito sportivo. He was a member of the Board of Directors of the Istituto della Enciclopedia Italiana founded by Giovanni Treccani S.p.A. (2020-2022), Enav S.p.A. in the three year period 2014-2017 (during which time the Company was listed on the Stock Market) and a member of the Board of Directors of the Florence Academy of Fine Arts (2013-2016).

2.3 Snam's diversity policy

The Company believes that diversity makes a positive contribution to the effective action of the corporate bodies. In the composition of its administrative, management and control bodies, Snam aims to include a range of profiles, recognising that the proper functioning of its corporate bodies requires complementarity of experience and expertise, combined with diversity in terms of the genders and age groups of its members. Among the accepted values, Snam considers positively the diversity of nationality and ethnic origin. Snam takes all necessary measures to ensure diversity from these perspectives.

Pursuing this objective, Snam has also implemented a corporate policy on diversity and inclusion, last amended by resolution of the Board of Directors on 15 March 2023, upon proposal of the ESGETSC Committee, aimed at disseminating a culture of equal opportunities between employees and contractors.

The aim of the policy is to establish a workplace that is free of direct and indirect discrimination, and to implement specific policies and metrics within human resources to ensure fairness at all stages of employment, training and work-life balance. For Snam, protecting diversity is a driver of cultural transformation that aims to make the company more competitive, innovative and geared toward personal growth.

The table below shows the legal and/or self-regulatory requirements and/or objectives pursued by Snam with regard to diversity, as well as the related implementation methods - with reference to both corporate bodies and corporate personnel - in the main areas in which diversity instances arise.

GENDER DIVERSITY

CORPORATE BODIES

Requirements

Pursuant to Paragraph 1-ter of Article 147-ter and Paragraph 1-bis of Article 148 of TUF and the relevant provisions of the Articles of Association, the quota reserved for the less-represented gender within the administrative and control bodies must be at least two-fifths, rounding up to the nearest unit³⁰.

Implementation methods

Over the years, the Company has adopted instruments and initiatives aimed at ensuring diversity in the composition of corporate bodies, including the guidelines of the Board of Directors of Snam to the shareholders on the future dimension and composition of the Board of Directors in view of its renewal and any resolutions on the co-optation of directors who ceased to serve during the year. The guidelines expressed in view of the Shareholders' Meeting of 27 April 2022, published on the Company's website in due advance of the publication of the notice of call (i.e., on 17 February 2022), took into account the outcomes of the Board evaluation and diversity criteria, requiring those who had submitted a list containing a number of candidates exceeding half of the members to be elected, inter alia, to provide adequate information about the list's compliance with the aforementioned guidelines, including with reference to these criteria.

The following data show how Snam ensures, in practice, an adequate gender diversity in the composition of corporate bodies:

- two out of the three Committees are chaired by women;
- the presence of the female gender within the Board of Directors is 4 out of 9 (i.e., more than two-fifths of the total members);
- the Board of Statutory Auditors consists of three Standing Auditors (one of whom is female) and three Alternate Auditors (two of whom are female).

PERSONNEL

Objectives

Snam also aims to achieve a greater balance of male and female presence at the corporate level, in accordance with Recommendation 8 of the Corporate Governance Code.

Implementation methods

The Company has over the years adopted the following implementation methods for gender diversity objectives at the corporate personnel level:

- a recruitment policy, in particular in executive and managerial roles, that is more focused on gender diversity (recruitment percentage in 2022: 18% women, 82% men). In this respect, the percentage of women in the Company - also thanks to retirement support measures - has increased from 15.6% in 2020 to 16.5% in 2022;
- a careful monitoring and reporting of pay at all organisational levels, an improvement in the application of the principle of equal pay together with an enhancement of the skills, responsibilities and results brought by all women in the Company. In this regard, Snam's process for tackling the gender pay gap has led to a slight improvement in the percentage of pay diversity compared to the year 2021. Specifically, it is -4% for managers and -7% for employees, the women/men pay differential in executives stands at -11% against a phenomenon of extraordinary turnover in line with the average rates recorded nationally. The ESGETS Committee examined the results of the analysis conducted by an external consultant on the entire population of Snam, which highlighted a small gender pay gap both in absolute terms and with respect to the Italian market, and bucking the trend for executives. The number of women was uniform in accordance with the contractual framework, unlike the situation on the market where the number of women tends to reduce the further up the hierarchical scale;
- the introduction, among the ESG objectives for the KPI management's Long-Term Incentive Plan 2020-2022 concerning the increase in the number of women in managerial roles (executives and middle managers) with a minimum presence of women of 25%, a target of 26% and, as a maximum target, of 28%, starting from the percentage of the financial statements as of 31 December 2019 equal to 18%.

In conclusion, among the initiatives aimed at promoting attention to diversity policies in corporate governance, it should be noted that Snam is a member of "Valore D", the association of companies that promotes diversity, talent and female leadership for the growth of companies and the country through seminars, workshops and "mentoring" activities. The Company has also signed the "Manifesto for women's employment", which identifies concrete corporate tools for the enhancement of female talent.

³⁰ With the exception of corporate bodies with three members; please refer to paragraph 3 of Article 144-undecies.1 ("Gender balance"), of the Issuers' Regulation. According to the applicable law provisions, the "two-fifths" allocation criterion shall be applied for six consecutive terms starting from the first renewal of corporate bodies following the effective date of the Budget Law 2020 (occurred on 1 January 2020). In this regard, it should be noted, however, that the Snam Shareholders' Meeting of 2 February 2021 approved to amend Article 13 of the Articles of Association, establishing that at least two-fifths of the members of the Board of Directors, or the different quota - if higher - provided for by the pro tempore provisions in force on the subject, must belong to the less represented gender (Article 13.3 of the Articles of Association). The same criterion also applies with regard to the compilation of lists of candidates for the office of director of the Company (Article 13.8 of the Articles of Association). Due to this amendment to the Articles of Association, the above allocation criterion will also apply in the absence of specific regulatory provisions.

TRAINING COURSE

CORPORATE BODIES

Objectives

In addition to the requirements established by law and the Articles of Association for members of corporate bodies, Snam considers of crucial importance that the members of the Board of Directors and the Board of Statutory Auditors have different backgrounds, acquired through the completion of different training courses and previous professional experience, in order to ensure the efficient functioning of corporate bodies and enable them to adapt immediately to any changes.

Implementation methods

Snam ensures that the members of the Board of Statutory Auditors and the Board of Directors meet the requirements required by applicable legislation and the Corporate Governance Code, including those of professionalism, and have an adequate educational and professional background through:

- the aforementioned guidelines expressed by the Board of Directors to the shareholders in view of their renewal. In particular, in the guidelines expressed in view of the Shareholders' Meeting of 27 April 2022, the outgoing Board of Directors indicated, inter alia, the professionalism characteristics of the candidates, considering that their authority and competence must be measured upon the tasks that the Directors are called to perform, also in light of the Company's size and complexity, its business objectives and strategic vision;
- board inductions, which, involving very intense and subject-rich activities, make it possible to increase the skills of the members of the management and control bodies and acquire specific sector expertise;
- periodic verification of compliance with the requirements of professionalism, integrity and independence required by applicable regulations and the Corporate Governance Code.

PERSONNEL

Objectives

The Company is committed to (i) ensure that corporate personnel, according to the related level, have an adequate educational and professional background, and (ii) support the professional development and growth of its resources.

Implementation methods

Snam applies specific human resources policies and metrics to ensure fairness at all phases of the employment relationship, from the people selection process to role assignment, from performance assessment to personal development, from salary treatment to termination of employment.

AGE

CORPORATE BODIES

The composition of Snam's corporate bodies reflects an appropriate diversity in terms of age, as shown by the following data:

- the age of Snam's directors ranges from 44 to 73, with an average age of 56;
- the age of Snam's statutory auditors ranges from 46 to 71, with an average age of 53.

PERSONNEL

The company's policy on diversity and inclusion does not provide for specific age limits for company personnel, since adequate age diversity is ensured in practice.

2.4 Maximum number of offices held at other companies

At its meeting of 15 March 2023, the Board of Directors, on the proposal of the ACC, has confirmed the following guidelines on the maximum number of offices held by directors (previously adopted at the meeting of 17 February 2022).

AN EXECUTIVE DIRECTOR SHOULD NOT HOLD

- (a) an executive director office at another Italian or foreign listed company, or at a company with net assets or consolidated annual turnover of more than €500 million or an equivalent amount if the company uses a different currency;
- (b) the office of non-executive director or statutory auditor (or member of another control body) in more than three of the companies listed under point (a).

Furthermore, in the case of the CEO, the same may not hold the office of director of another issuer not belonging to the same group, whose CEO is another director of the Company.

A NON-EXECUTIVE DIRECTOR (EVEN IF INDEPENDENT) MUST NOT, IN ADDITION TO THE POSITION HELD AT THE COMPANY, HOLD

- (a) an executive director office at more than one Italian or foreign listed companies, or companies with net assets or consolidated annual turnover of more than €500 million or an equivalent amount if the company uses a different currency, and the office of non-executive director or statutory auditor (or member of another control body) at more than three of the above companies; or
- (b) the office of non-executive director or statutory auditor (or member of another control body) in more than four of the companies listed under point (a).

For the purposes of calculating the maximum number of offices, positions held within Snam and its Subsidiaries and on Snam's Committees are not relevant.

The Board of Directors, in its assessments of each subjective position, to be made in the interest of the Company, may take into account the specific circumstances and professional commitments (not limited to the holding of office) of the individual director, both to allow for any exemptions from the limits of offices, and to establish a possible reduction of the maximum number of offices that can be held. If appropriate, the Board of Directors will invite the director to make the consequent decisions.

Based on the declarations made by the Directors and updated as at 31 December 2022, the following table lists the other important positions held by the Directors of the Company pursuant to the Corporate Governance Code and the relevant guidelines issued by the Board of Directors.

Director	Other important positions held
Monica de Virgiliis	Independent Director of ASM International N.V.
Stefano Venier	Non-Executive Director of Industrie De Nora S.p.A.
Laura Cavatorta	Independent Director of INWITT S.p.A. Independent Director of Unieuro S.p.A.
Augusta Iannini	Non-Executive Director of Policlinico San Donato S.p.A. Non-Executive Director of Ospedale San Raffaele S.r.l.
Rita Rolli	Standing Statutory Auditor of Sogefi S.p.A.
Qinjing Shen	Non-Executive Director of Terna S.p.A. Non-Executive Director of Italgas S.p.A. Non-Executive Director of Cdp Reti
Alessandro Tonetti	Non-Executive Director of Open Fiber S.p.A.

The Board of Directors, at the meetings of 27 April 2022 and 15 February 2023, verified that:

- (i) with the exception of the CEO, all the directors hold a non-executive role;
- (ii) the number of significant offices pursuant to the Corporate Governance Code and the guidelines issued by the Board of Directors regarding the maximum number of offices held by the same directors is compatible with the effective performance of the role of director of Snam.

2.5 Functioning of the Board of Directors

The Company's Board of Directors meets regularly and is organised and operates to ensure the efficient and effective performance of its duties.

The Board of Directors has approved, lastly in the meeting of 29 November 2021, its Regulation to govern procedures for convening the Board, performing the Board's work and drafting the minutes of meeting, of which the main provisions are outlined below.

NOTICE OF MEETING

REGULATION

- The notice of meetings of the Board of Directors is usually sent at least five days before the meeting, pursuant to Article 15 of the Articles of Association.

IMPLEMENTATION

During 2022, the provisions concerning the meeting of the Board of Directors were generally respected.

PRE-BOARD MEETING INFORMATION

REGULATION

- A complete and comprehensive set of documentation on agenda items is made available to Directors and Standing Statutory Auditors by the Board Secretary at least five days prior to the date of the meeting, except in exceptional cases.
- If it is not possible to respect the notice period, appropriate and specific in-depth analyses are ensured during the meeting.

IMPLEMENTATION

In the course of 2022, this deadline has generally been met; if material was sent close to meetings, this was due to the extraordinary nature of certain situations and/or the short time between meetings. In such cases, the Chair of the Board of Directors ensured adequate and specific in-depth analyses and provided adequate additional information during the meetings. In order to facilitate the activities of the Board of Directors, Snam has introduced for some years now an IT tool that enables the effective and secure management of Board and Committee activities through tablets, smartphones and PCs. Through this system, it is possible to access documents prepared for Board or Committee meetings digitally, ensuring confidentiality and optimizing time.

PARTICIPATION OF EXTERNALS

REGULATION

The Chair of the Board, with the assistance of the Secretary, ensures, in agreement with the CEO, that the Company's and the Group's executives, responsible for the corporate functions competent according to the subject, or other external parties, attend Board meetings, also at the request of individual Board members, to provide the appropriate in-depth examination of the items on the agenda (Recommendation No.12 of the Corporate Governance Code).

IMPLEMENTATION

During 2022, the Chief Financial Officer (6 meetings out of 15), the Financial Reporting Officer (7 meetings out of 15), the General Counsel (15 meetings out of 15), the EVP Institutional Affairs, ESG, Communication & Marketing (4 meetings out of 15), the EVP Human Resources, Organisation & PFM (5 meetings out of 15), the SVP Internal Audit (3 meetings out of 15) and some heads of their departments in relation to issues falling within their competence, the EVP Commercial, Asset Planning & Regulatory Affairs (4 meetings out of 15) participated in the Board meetings, when dealing with the topics of their respective competences listed below in the summary of 2022 activities.

MINUTES

REGULATION

- Except in cases where the minutes are required by law to be drafted by a notary public, the minutes of meetings are taken by the Secretary of the Board, who may be assisted for this purpose by personnel from the Legal Department with specific expertise in corporate law.
- The minutes are drafted in analytical form, reporting the speeches made during the Board discussion, summarized by the Secretary of the Board, and include, in the text attached or in the Company's records, the documentation made available to the Board of Directors.

IMPLEMENTATION

During 2022, the provisions concerning the drafting of minutes of the Board of Directors' meetings were always respected.

For more information on the procedures for convening and holding Board meetings, on the pre-board meeting information, board evaluation and induction and confidentiality safeguards, please refer to Annex 3 to this Report.

In accordance with the provisions of Article 16.3 of the Articles of Association, on the occasion of meetings and at

least quarterly, the Board of Directors and the Board of Statutory Auditors are informed, also by the Chair or the Chief Executive Officer, and also with regard to the subsidiaries, on the general performance, on its predictable evolution, on the most important economic, financial and asset transactions, with particular regard to transactions in which the directors have a personal interest or an interest on behalf of third parties or which are influenced by any person exercising direction and coordination activities.

2.6 Meetings of the Board of Directors

Number meetings	15
Average attendance of Directors	98%
Average attendance of Independent Directors	98.3%
Average meeting duration	155 minutes

9 meetings are scheduled for 2023. As of the date of this Report 3 meetings of the Board of Directors had been held in the current financial year.

Attendance percentage in Meetings 2022 (*)	
Massimo Bergami	90%
Laura Cavatorta	100%
Monica de Virgiliis	100%
Augusta Iannini	100%
Piero Manzoni	100%
Rita Rolli	100%
Qinjing Shen	90%
Alessandro Tonetti	90%
Stefano Venier	100%

(*) Percentages calculated on a total of 10 meetings, i.e. meetings held starting from 27 April 2022 (included), and thus subsequent to the appointment of the Board of Directors for the three-year period 2022-2024.

The following is a summary of the main areas of activity, divided according to the matters of reference, carried out by the Company's Board of Directors during 2022.

STRATEGY AND FINANCE

- Periodic financial reports, interim management reports, and sustainability reporting.
- Dividends and buyback.
- Strategic plan.
- Transactions of subsidiaries and associates.
- Update on issues related to the Russia - Ukraine crisis.
- Bond issues and funding policy.

GOVERNANCE AND REMUNERATION

- Verification of the requirements set forth by the law, Articles of Association and self-regulations for directors.
- Appointment by co-optation of a Director.
- Appointment of the CEO and managing director.
- Board committees (establishment and reporting on activities).
- Report on (i) remuneration policy 2022 and remuneration paid in 2021 and (ii) corporate governance and ownership structure 2021.
- Remuneration of the Chair, CEO and GD and Directors for participation in Board Committees.
- Internal regulatory review.
- Board evaluation e induction.

INTERNAL CONTROL AND RISK MANAGEMENT

- Assessment of the adequacy of: (i) the organizational, administrative and accounting structure of the Company and its strategically important Subsidiaries; (ii) the powers and means available to the Financial Reporting Officer, as well as (iii) the effective compliance with the administrative and accounting procedures.
- Audit Plan and Annual Budget of the Internal Audit function.
- Model 231 and appointment of Supervisory Board.
- Anti-corruption guidelines and code of ethics.

2.7 Chair of the Board of Directors

The Shareholders' Meeting of 27 aprile 2022 appointed Monica De Virgili as Chair of the Board of Directors.

The Chair, who does not have an executive role, performs the duties assigned to him by law, the Articles of Association and by resolution of the Board of Directors, as indicated in Annex 6 to this Report, playing a connection role between executive and non-executive directors and ensuring the effective functioning of board proceedings. For this purpose, the Chair, upon invitation of the Chair of each Committee, attends individual meetings of the Board Committees on issues of particular relevance in order to ensure coordination between the activities of the Committees and the Board of Directors (see Recommendation No. 2, letter b) of the Corporate Governance Code).

The Chair is responsible for representing the Company, by agreement and in coordination with the Chief Executive Officer. The Chair is not the person principally responsible for managing the Company (Chief Executive Officer) nor the controlling shareholder, and has not been delegated management powers or authority in the development of corporate strategies.

2.8 Secretary of the Board of Directors and Board Committees

In accordance with the provisions of Article 14 of the Articles of Association and the Regulation on the functioning and organization of the Board of Directors, the Secretary is appointed by the Board of Directors on the proposal of the Chair and is normally chosen among Company employees with specific skills on corporate governance of listed companies. If the Secretary is absent or unable to attend a meeting, the Board of Directors, in any case on the proposal of the Chair, may appoint a different secretary for that meeting, who may also be chosen among the members of the Board of Directors.

The Secretary of the Board supports the work of the Chair and provides impartial assistance and advice to the Board of Directors on each matter relevant to the proper functioning of the corporate governance system.

In the financial year 2022, in accordance with the Rules of functioning and organization of the Board of Directors and

Recommendation No. 12 of the Corporate Governance Code, the Secretary has:

- supported the Chair with preparing the corporate calendar and the annual schedule of meetings, preparing the Board and Shareholders' meetings, preparing the related resolutions, ensuring the adequacy, completeness and clarity of the information flows directed to the Board, making available the documentation relating to the items on the agenda and communicating with the Directors, as well as organizing board induction meetings and the board evaluation;
- assisted the CEO in his relations with the Board;
- provided assistance and advice to the Board on any aspect relevant to the proper functioning of the corporate governance system;
- served as Secretary of the Board Committees, thereby ensuring the coordination of the Board's activities with those of the committees themselves, also in order to guarantee a timely flow of information between the various bodies;
- prepared the minutes of the meetings.

During the meetings of 11 October 2021 and of 27 April 2022 the Board of Directors appointed Umberto Baldi, General Counsel of Snam, as Secretary of the Board of Directors. The Secretary of the Board of Directors also serves as Secretary of Snam's Board Committees.

2.9 Chief Executive Officer

At the meeting of 27 April 2022, the Board of Directors appointed Stefano Venier as CEO and General Manager. The Board of Directors assigned to the Chief Executive Officer the duties of Chief Executive Officer and conferred upon him all of the duties and powers not reserved to the Board of Directors or the Chair, which are respectively set forth in the above Paragraphs 2.1, and 2.7, as well as in Annex 6 to this Report.

The CEO performs the role of Director in charge of the internal control and risk management system (the "Director in Charge")³¹.

2.10 Other executive directors

With the exception of the Chief Executive Officer, all the members of the current Board of Directors are non-executive³², as (i) they do not hold the office of chief

³¹ For more information on the Director in Charge, see Section IV, Paragraph 1.2 (ii).

³² In compliance with the provisions of the Corporate Governance Code, the following are considered executive directors: (i) the Chair of the Company (or of Group companies having strategic relevance), when they are vested with management powers or power related to the preparation of corporate strategies; (ii) Directors who are vested with management powers and/or hold managerial positions in the Company (or in Group companies having strategic relevance) or in the parent company, when the position also concerns the Company.

executive officer or executive chair in the strategic Subsidiaries; and (ii) they do not hold executive positions in the Company or in the strategic Subsidiaries.

2.11 Independent directors

The Board of Directors includes a number of independent directors sufficient to ensure, in terms of number and authority, that their opinion carries substantial weight when Board decisions are taken. Indeed, of the total number of nine directors, six directors qualify as independent, whereas the Corporate Governance Code provides that, in large companies with non-concentrated ownership, independent directors must represent at least half of the board³³. The presence of independent directors on both the Board of Directors and its Committees ensures that the interests of all shareholders are adequately protected.

The Board of Directors of the Company, after the opinion of the Appointments Committee, has predefined, most recently on 14 December 2021, the quantitative and qualitative criteria for assessing the significance of the circumstances relevant pursuant to Recommendation no. 7, first paragraph, of the Corporate Governance Code for the purpose of assessing the independence of directors and auditors³⁴. These criteria, set out below, are based on a so-called “Benchmark”, identified in the average remuneration received, respectively, by non-executive directors and statutory auditors for the office and for any participation in board committees, as calculated by the department of Corporate Affairs, or by the Chair during the last year of the previous term of office.

The Benchmark is currently equal to, respectively, 110,000 euro for the Directors and 310,000 euro for the Chair of the Board of Directors.

DIRECTORS AND STATUTORY AUDITORS

SIGNIFICANT RELATIONSHIPS

(Recommendation No. 7(c) of the Corporate Governance Code)

- Commercial, financial or professional relationship with Snam or its subsidiaries, or with the relevant executive directors or top management, or with a person who, also together with others through a shareholders’ agreement, controls Snam or with the related executive directors or top management which, in at least one of the three financial years preceding the date of their appointment, are, individually or cumulatively, for each financial year, higher than 100% of the Benchmark, are considered significant.
- For the purposes of the aforementioned assessment of the significance of commercial, financial or professional relationships, in the case of a director or statutory auditor who is also a partner in a professional or consulting firm, the competent body shall assess the significance of the professional relationships held in the three financial years previous to the appointment in relation to the position and role held in the firm or consulting firm, also independently of the Benchmark.
- During their term of office, in order to qualify as independent, directors and statutory auditors must not entertain any commercial, financial or professional relationship with Snam or its subsidiaries, or with the relevant executive directors or top management, or with a person who, also together with others through a shareholders’ agreement, controls Snam or with the related executive directors or top management.

ADDITIONAL REMUNERATION

(Recommendation No. 7(d) of the Corporate Governance Code)

- Additional remuneration resulting from employment, administration or control relationships received by a director or statutory auditor, during one of the three financial years preceding the year of taking office, from Snam or its parent company or a company in the Snam Group is considered significant if, individually or cumulatively, for each financial year, it exceeds the Benchmark.
- In order to qualify as independent during their term of office, directors and statutory auditors must not receive any additional remuneration from Snam or its parent company or a Snam Group company.

CLOSE RELATIVES OF DIRECTORS AND STATUTORY AUDITORS

SIGNIFICANT RELATIONSHIPS

(Recommendation No. 7(c) of the Corporate Governance Code)

The Benchmark shall be applied both with respect to commercial, financial or professional relationships entertained by them during one of the three financial years preceding the year of taking office and during the term of office.

ADDITIONAL REMUNERATION

(Recommendation No. 7(d) of the Corporate Governance Code)

The Benchmark shall be applied both with respect to remuneration received during one of the three financial years preceding the year of taking office and during the term of office.

³³ Reference is made to Recommendation No. 5 of the Corporate Governance Code.

³² Reference is made to Recommendation No. 7 of the Corporate Governance Code.

The Board of Directors assesses the independence requirements of each non-executive director immediately after their appointment, specifying the assessment criteria concretely applied and disclosing the outcome of its evaluations through of a press release disclosed to the market, indicating the criteria used to assess the significance of the relationships. In this regard, on 27 April 2022, the Board of Directors ascertained the existence of the independence requirements set forth by the Consolidated Financial Act and the Corporate Governance Code for non-executive Directors Massimo Bergami, Laura Cavatorta, Augusta Iannini, Piero Manzoni, and Rita Rolli, as well as for the Chair of the Board of Directors Monica de Virgiliis.

The Board of Directors assesses the independence of each director also during the term of office when circumstances relevant to independence occur and in any case at least once a year. Directors shall provide all the elements necessary or useful for the assessment by the Board of Directors, which considers, on the basis of all the information available, any circumstance that affects or may appear to affect independence.

In application of the foregoing, on 15 February 2023, the Board of Directors verified once again that the non-executive directors Massimo Bergami, Laura Cavatorta, Augusta Iannini, Piero Manzoni and Rita Rolli, as well as the Chair of the Board of Directors Monica De Virgiliis, meet the independence requirements established by the Consolidated Financial Act and the Corporate Governance Code.

On 11 May 2022 the Board of Statutory Auditors ascertained, with reference to the 2022 financial year, the correct application of the criteria and procedures adopted by the Board of Directors for the identification of independence requirements. The verification by the Board of Statutory Auditors relating to the 2023 financial year has been carried out on 2 March 2023.

During the 2022 financial year, one meeting of only independent directors was held, coordinated by the director Eng. Manzoni, which revealed (i) the good functioning of the Board of Directors; (ii) the efficient composition of the Board of Directors in terms of independence; (iii) the good level of participation and constructive board debate; (iv) the usefulness of periodically holding board induction sessions to increase the skills and expertise of the members of the Board of Directors in order to continuously improve the decision-making process.

The Independent Directors informed the Board of Directors of this meeting at the Board meeting held on 15 February 2023.

2.12 Lead independent director

Snam has not appointed a lead independent director as the conditions set forth in the Corporate Governance Code are not met³⁵. The Chair of the Board of Directors is not the chief executive officer or the holder of significant management powers and is not the person who controls, even jointly, the Company. Furthermore, the appointment of a lead independent director was not requested by the independent directors.

2.13 Board Evaluation

In line with the provisions of the Corporate Governance Code, the Board of Directors has implemented self-assessment of the Board of Directors itself and its Committees for the 2022 financial year, to which all the current Directors participated.

The purpose of the work was to carry out a structured review of the effectiveness of the Board of Snam from an operational point of view and to identify opportunities for further improvement in order to better perform the role of policy and control of a complex and evolving entity.

Following the awarding procedure by tender and the relevant investigation by the ESGETSC, the Board of Directors has decided to avail itself of an external advisor, Spencer Stuart Italia S.r.l., a company that has wide and long-standing experience in the corporate governance sector. This activity is part of an accompanying process for the Board in office throughout the three-year term.

The board review focused on the size, composition and real functioning of the Board and its Committees, taking into account the role played by the Board in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system.

The Directors have made themselves available to contribute to this process in order to identify possible areas of improvement for the optimization of Board dynamics.

The self-assessment of Snam's Board of Directors and Board Committees for financial year 2022 was conducted by three senior partners of Spencer Stuart, experts in board effectiveness activities. During the interviews it was possible to analyze what was reported in the questionnaires, to increase the debate and to receive directly comments and suggestions.

Regarding the issue of composition, the advisor also prepared a benchmark analysis regarding a panel of listed companies similar in ownership structure to Snam.

³⁵ Recommendation 13 states that: "The board of directors appoints an independent director as lead independent director: a) if the chair of the board of directors is the chief executive officer or holds significant managerial powers; b) if the office of chair is held by the person who controls, also jointly, the company; c) in large companies, even in the absence of the conditions indicated in letter a) and b), if requested by the majority of independent directors".

The self-assessment referring to financial year 2022 was an opportunity for Directors to reflect on the start of work and, overall, the Directors expressed their satisfaction and appreciation in relation to the size, composition and functioning of the Board of Directors and its Committees.

Directors are satisfied with what the Board of Directors has accomplished in these first months of its term; at the same time, they express awareness of possible spaces for improvement, particularly in terms of building an effective team spirit, knowledge of the relevant business, of

direction and constructive challenge of the management. The Directors underline that the work of the Committees is positive and constitutes the basis for discussion at the Board. Overall, the members of the Committees feel that they have played their role well and operated autonomously and authoritatively, effectively supporting the Board with their preliminary activities on issues within their competence.

The self-assessment on the size, composition and functioning of the Board and Committees was successfully completed at the Board meeting on 15 March 2023.

SIZE AND COMPOSITION

SIZE

The current number of 9 Directors is considered adequate.

COMPOSITION

There is a good degree of consensus in relation to the mix of skills on the Board, the different professional backgrounds, and the genuine spirit of independence brought by each.

FUNCTIONING

EFFECTIVENESS KEY THEMES

The Board operated in continuity with the previous mandate with the aim of strengthening the Company's leadership position on the path to energy transition while consolidating the governance structure and the pursuit of sustainable success goals.

Significant attention by the Directors was devoted to the in-depth study and discussion of the Group's strategic directions with reference to the Strategic Plan 2022 - 2026.

ONBOARDING AND INDUCTION

The Directors expressed wide appreciation towards the proposed training program which, through numerous onboarding initiatives and induction sessions by the Company's management on corporate and business issues, aims to foster a quick induction of new members of the Board of Directors.

BOARD DYNAMICS

The Directors emphasize that they have operated in a positive atmosphere, based on constructive discussion and listening to the opinions of others. Board discussions benefit from the absolute - not just formal - spirit of independence of the Directors. The Directors believe that the knowledge and interaction in place with management, which participates in the meetings of the Board of Directors and the Committees on matters falling under their competence, is positive and gradually being consolidated.

ORGANIZATION

MEETINGS

Directors have so far tried to ensure physical presence at meetings, and where it has not been possible, have used the video conferencing equipment, which is considered to be of a good standard.

BOARD INFORMATION

The quality of documentation provided to Directors is considered to be good. Accessibility to documentation through a dedicated portal that makes available presentations, press reviews, and all informational materials related to meetings of the Board and its Committees is confirmed.

2.14 Succession plans

The purpose of succession plans is to: (i) favour generational replacement in companies; (ii) improve the management of the termination of executive directors and top management; and (iii) limit the negative effects of any management discontinuity.

Snam pays particular attention to defining an evaluation process to be used as the basis for the selection of candidates. Candidates must be active, proactive and keen to make a contribution to the future of the Group. These characteristics are shared by the individuals who have committed themselves to the Company. Snam's success also stems from its particular focus on selecting key front-line functions.

As of the date of approval of this Report, Snam's key management personnel are considered in succession planning, i.e. Chief Industrial Assets Officer, Chief Financial Officer and Executive Vice President Human Resources & Organization & PFM³⁶.

The methods used include:

- (i) conducting assessment interviews with current key position holders and potential successors;
- (ii) the identification, for each key position, of the requirements of the role, including the scope of responsibility, expertise, required skills and strategic objectives;
- (iii) the assessment and weighting of the risk associated with the individual key position;
- (iv) the identification and analysis of the line of succession of each key position, in order to identify consistency in terms of skills and experience and readiness;
- (v) individual career plans for internal candidates/external selection or mapping, as appropriate;
- (vi) a hypothetical contingency plan for crisis situations.

The activity is carried out with the support of an external advisor. The Appointments Committee and the Board of Directors have reviewed and approved the methods used to draw up succession plans³⁷.

On 13 March 2018, the Board of Directors, on the proposal of the Appointments Committee, approved a "contingency plan" in the event of premature termination of the CEO's office or permanent impediment to the performance of his/her duties, which provides for the following:

- in the event of premature termination of the office of the CEO or permanent impediment to

his/her duties, the Chair of the Board of Directors will convene (within 24 hours) a meeting of the Board of Directors. In the absence of the Chair of the Board of Directors, the Board of Directors is convened by the most senior director in terms of age, pursuant to Article 15.1 of Snam's Articles of Association;

- the Board of Directors, where possible, co-opts a Director and appoints the Chief Executive Officer, granting him or her the relevant powers, or promptly initiates the process of identifying a CEO, with the support of the ACC, in the meantime granting powers of ordinary management of the Company to a director;
- the ACC, which also avails itself of a consultancy firm specialising in the sector, submits proposals to the Board of Directors on the identification of the person best suited to the role of Chief Executive Officer;
- on the proposal of the ACC, the Board of Directors co-opts a director and identifies the new Chief Executive Officer, conferring the relevant powers on him or her.

2.15 Remuneration system for directors and key management personnel

The Board of Directors reviews the Remuneration Report pursuant to Article 123-ter of TUF, the first section of which – dedicated to the remuneration policy for directors, for statutory auditors and key management personnel adopted by the Company – is subject to a binding vote by the Shareholders' Meeting, while the second section – dedicated to the analytical illustration of the remuneration paid in any capacity and in any form by the Company and its Subsidiaries to the members of the administration and control bodies, general managers and key management personnel – is subject to a non-binding vote by the Shareholders' Meeting.

For an explanation of Snam's remuneration policy, see the Remuneration Report, made available on the Company's website in the section dedicated to the Shareholders' Meeting of 4 May 2023.

The Remuneration Report is available on the Company website at the link
https://www.snam.it/export/sites/snam-rp/repository/ENG_file/Governance/remuneration/Remuneration_Report_2023.pdf

³⁶ As well as Snam's key management personnel, the Financial Reporting Officer and the SVP Internal Audit are taken into account in succession planning.

³⁷ Respectively the Appointments Committee, on 12 December 2019, duly reported to the Board of Directors on the same date.

3. SNAM'S COMMITTEES

The Board of Directors of 27 April 2022 has established the following internal Committees with advisory and propositional duties, pursuant to the Corporate Governance Code and to Article 16 of the Articles of Association, privileging the competence and experience of their members and avoiding an excessive concentration of tasks:

- ACC;
- CRRPTC;
- ESETSC³⁸.

In order to review matters of common interest, the Committees may meet in joint sessions. During the year, meetings were held jointly on issues of cross-department interest between the ESETSC and ACC, as well as between the ESETSC and CRRPTC. This method allows for effective coordination among the Committees and a

timely exchange of information and active discussion of shared issues.

In performing their duties, the Committees are entitled to access the corporate information and functions, and have available the necessary resources and in particular, within the terms established from time to time by the Board of Directors, the Committees can avail themselves of the services of external consultants through the Company structures, provided that they are not in a situation likely to compromise their independent judgement.

Each Committee has its own regulation, approved by the Board of Directors, governing the relevant functioning and organization (available in the "Governance and Conduct" section of the Company's website). The following table shows the main provisions on the functioning of the Regulations of the Board Committees.

ROLE OF THE CHAIR

The Chair of each Committee has the role of planning and coordinating the Committee's activities, representing the Committee, convening and directing its meetings, and ensuring that adequate information on the items on the agenda is provided to all members.

NOTICE OF CALL

- Each Committee shall meet, convened by the Chair, according to the calendar approved annually by each Committee – as often as necessary to carry out its activities – and, in any case, whenever a meeting is necessary or appropriate.
- The notice of the meeting shall be sent, by order of the Chair, by the Secretary of each Committee, in such a way as to ensure the confidentiality of the data and information contained therein. As a rule, the notice is sent by e-mail to the members of the Committees and made available to them by uploading to the section of the digital portal to which the members of the Committees have restricted access at least 5 days before the date set for the meeting. In cases of necessity and urgency, the notice shall be sent by e-mail at least 12 hours before the time set for the meeting.

PRE-MEETING INFORMATION

- Any documentation relating to the items on the agenda shall be made available to the members by the Secretary of each Committee at least five days before the date of the meeting, except in cases of necessity and urgency. However, it is understood that, if the information is not provided within this time limit, adequate and specific in-depth analysis is guaranteed during the meeting.
- The documentation is made available to the members, by the Secretary of each Committee, by uploading to the confidential section of the digital portal to which the members of the Committees have restricted access or in the other agreed forms, in any case in such a way as to ensure the confidentiality of the information and data transmitted. If the documentation made available to the members of the Committees is particularly complex and voluminous, the Chair of each Committee, with the assistance of its Secretary, shall ensure that it is accompanied by a document summarizing the most significant and relevant points for the purpose of examining the items on the agenda.

³⁸ Until 27 April 2022 – i.e. the date of the ordinary Shareholders' Meeting of Snam called to resolve, inter alia, on the appointment of the members of the Board of Directors and the Board of Statutory Auditors for the three-year period 2022-2024 – Snam's board Committees were organised as follows: Control and Risk and Related-Party Transactions Committee, Appointments Committee, Remuneration Committee, Environmental, Social & Governance Committee. The merging of the functions of the Appointments Committee and the Remuneration Committee was carried out in compliance with the recommendations of the Corporate Governance Code for the composition of the relevant committees.

PARTICIPATION OF EXTERNALS AND CONFIDENTIALITY

- The Chair of each Committee may invite to single meetings the Chair of the Board of Directors, the Chief Executive Officer and the other Directors as well as, informing the Chief Executive Officer, the representatives of the competent corporate functions, external consultants or any other person, including external, whose presence may be of assistance to the best performance of the Committee's functions. The Chair is responsible for informing the other members of the Committee of anyone invited to meetings.
- The Chair of the Board of Statutory Auditors and the other standing auditors may attend Committee meetings; in any case, the Chair of the Board of Statutory Auditors, or another member designated by him, takes part in the work of the Control and Risk and Related-Party Transactions Committee.
- The members of the Committees and other participants in the meetings are required to observe strict confidentiality with regard to documents, news, information and data of which they become aware. All persons attending meetings and/or having access to the Committees' documentation are in any case required to comply with the current regulatory provisions and the procedures adopted by the Company on the processing and disclosure of corporate information and on market abuse, with particular reference to inside information.

MINUTES

The respective Secretaries take the minutes of the Committee meetings.

REPORTING TO THE BOD

After every meeting, the Chair of each Committee shall update the Board of Directors by a report, at the next convenient meeting, on the matters addressed and the observations, recommendations and opinions expressed therein³⁹.

In the course of 2022, the abovementioned pre-meeting information deadline has generally been met; if material was sent close to meetings, this was due to the extraordinary nature of certain situations and/or the short time between meetings.

Table 1 in Section VI provides information on the attendance of each participant at Committees' meetings.

3.1 Control and Risk and Related-Party Transactions Committee

(i) Composition

The composition of the Control and Risk and Related-Party Transactions Committee is as follows:

Member	Position
Piero Manzoni	Independent Non-Executive Director ⁽¹⁾ – Chair
Augusta Iannini	Independent Non-Executive Director ⁽¹⁾
Laura Cavatorta	Independent Non-Executive Director ⁽¹⁾

⁽¹⁾ Independent directors pursuant to the independence requirements laid down by the TUF and the Corporate Governance Code

Snam's Board of Directors identified Piero Manzoni as Chair of this Committee and has verified that (i) the Committee

as a whole has adequate expertise in the business sector in which the Company operates, suitable for assessing the relevant risks; and (ii) at least one member, i.e. Director Piero Manzoni, has an adequate accounting, financial and risk management experience..

Committee meetings are deemed to be validly constituted with the presence of the majority of the members in office; the Committee resolves by an absolute majority of the attendees. In the event of a tie, the Chair of the Committee has the casting vote.

(ii) Tasks

The Remuneration Committee carries out preliminary, propositional and advisory functions⁴⁰ toward the Board, and supports Board decisions and assessments concerning the internal control and risk management system, as well as those relating to the approval of financial and non-financial reports. The Committee is also responsible for monitoring Corporate Tax Policy.

(iii) Activities

The Committee met 10 times in 2022, with attendance of 100%. The average duration of Committee meetings was approximately 189 minutes.

Below is a brief description of the main issues discussed and the main activities performed during the 2022 financial year.

³⁹ In this regard, reference is made to the provision of Recommendation No. 17 of the Corporate Governance Code.

⁴⁰ For a more detailed description of the duties of the CRRPTC, see Annex 7 to this Report.

ACTIVITIES OF A NON-RECURRING NATURE

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM AND RELATED-PARTY TRANSACTIONS

- Examination and monitoring of the implementation of the action plan prepared by the Subsidiary Snam Rete Gas S.p.A. following the results of the spot audit “Activities for the assignment of gas pipeline construction contracts”.
- Examination of the methodology used for the analysis regarding the use of a single supplier for consultancy and professional services required in the year 2021.
- Examination of risks related to the recertification procedure of Snam Rete Gas S.p.A. and Infrastrutture Trasporto Gas S.p.A.
- Examination of the status of the Snam group litigation.
- Examination of the main proposals for updating the “Enterprise Risk Management” Guideline.
- Examination of the monitoring activities of consultancy and professional services for the first semester of 2022.
- Examination and expression of a favourable opinion, pursuant to Chapter 3 Paragraph 3.1.2. of the 231 Model, on the determination of the number of members of the Supervisory Board, the appointment of three members of the Supervisory Board and the determination of their annual gross remuneration.

ACTIVITIES OF A RECURRING NATURE

ERM MODEL AND MANAGEMENT OF THE MAIN RISKS FACED BY THE COMPANY

- Review of reports on the identification and updating of the key corporate risks in the ERM system and opportunities within the scope.
- In-depth examination of the issues relating to the Tax Control Framework - Summary report by the Tax Risk Manager.
- Examination of the progress status of activities for integrating ESG risk areas into the ERM framework.
- Examination of the activities carried out with regard to the periodic analysis of financial risks.

OVERSIGHT OF THE INTERNAL AUDIT FUNCTION

- Examination of the proposal for the final account of the 2021 objectives applied to the Senior Vice President Internal Audit and analysis of the proposed 2022 objectives.
- Examination of the activities carried out by the Internal Audit Function.
- Analysis of the proposed 2022 and 2023 Audit Plan and budget of the Internal Audit Function’s for 2022.

CORPORATE REPORTING CONTROL SYSTEM

- Review of the report on the adequacy of the CRCS and on the compliance of the administrative and accounting procedures and the annual Report on the organisational, administrative and accounting structure of Snam and its Subsidiaries.

FINANCIAL AND SUSTAINABILITY REPORTING

- Analysis of issues related to the half-year and annual financial reports (as well as the interim management reports), with reference to both the external audit activity and the verifications carried out in relation to the effectiveness of CRCS.
- Analysis of the Non-Financial Statement pursuant to Leg. Decree 254 of 2016, of the Sustainability Report 2021 and of the Financial Disclosure on Climate Change, drawn-up on the basis of recommendations made by the Task Force on Climate Related Financial Disclosure.

LEGISLATIVE DECREE NO. 231 OF 2001, CODE OF ETHICS AND ANTI-CORRUPTION GUIDELINES

- Examination of the activities carried out by the Supervisory Board in the second half of 2021 and the first half of 2022.
- Examination of the outcomes of the risk assessment and gap analysis activities carried out in the “Q4 2021 Campaign” in order to incorporate the organisational changes that occurred between March and November 2021 into Snam S.p.A.’s 231 Model.
- Examination of the results of the 231 risk assessment campaign carried out in the first quarter of 2022 and the consequent actions to be taken on the special part of 231 Model.
- Examination of the proposal to amend Chapter 7, paragraph 7.2, of 231 Model.
- Examination of the content of the “2021 Compliance Report”.

TRANSACTIONS IN WHICH DIRECTORS AND STATUTORY AUDITORS HAVE AN INTEREST AND RELATED-PARTY TRANSACTIONS

- Examination and expression of a favourable opinion on the proposed amendment to the “Guideline on transactions involving the interests of the directors and statutory auditors and transactions with related parties” concerning, in particular, the raising of the threshold for identifying transactions of greater significance from the current 2.5% to 5% with a view of consistent alignment with the Consob Regulation.
- Examination of certain transactions with related parties during the related preliminary stage.
- Issuance of opinions on the Company’s interest in carrying out, as well as on the convenience and substantial fairness of the related conditions, transactions with related parties of minor significance.
- Verification of the correct application of the conditions for exemption pursuant to Article 3.2, no. 8 sub (ii) of the “Guidelines on transactions involving the interests of the directors and statutory auditors and transactions with related parties” concerning the amendment of the centralised treasury agreement by Snam in favour of 24 of its subsidiaries.
- Examination of related-party transactions carried out by Snam group during the 2022 financial year.

The Regulation of the CRRPTC was most recently amended by the Board of Directors on 12 October 2022.

The Regulation of the CRRPTC is available on the Company's website (https://www.snam.it/export/sites/snam-rp/repository/ENG_file/Governance/Social_bodies/Committees/Snam-S.p.A.-CCROPC-Regolamento-di-funzionamento-del-Comitato_ENG.pdf).

The Committee reported to the Board of Directors at the Board meetings of 16 March 2022 and 27 July 2022, on the activities carried out in the first semester of 2022, as well as at the meeting of 15 March 2023 on the activities carried out in the second semester of 2022. Furthermore, in accordance with Recommendation no. 17 of the Corporate Governance Code, the Chair of the Committee reported on each meeting held at the following Board meeting.

For 2023, the Committee has defined its calendar and has scheduled 8 meetings. As of the date of approval of this Report, 3 meetings have already been held.

During 2022, external subjects constantly attended the meetings of the Committee, upon invitation by the Chair of the CRRPTC, in order to provide information and explanations and, in particular, in addition to external advisors who took part by virtue of the specific nature of the matters dealt with, also the following managers and representatives of the corporate departments from time to time competent, depending on the subject of the meeting: General Counsel, EVP Human Resources, Organisation & PFM, SVP Internal Audit, and the Chief Financial Officer.

The meetings of the Committee were usually also attended by the Chair of the Board of Statutory Auditors and/or other Statutory Auditors.

3.2 Appointments and Compensation Committee

(i) Composition

The composition of the ACC is as follows:

Member	Position
Rita Rolli	Independent Non-Executive Director ⁽¹⁾ – Chair
Massimo Bergami	Independent Non-Executive Director ⁽¹⁾
Alessandro Tonetti	Non-executive

⁽¹⁾ Independent Directors pursuant to the independence requirements laid down by TUF and the Corporate Governance Code

The Board of Directors has identified Rita Rolli as Chair of this Committee and has verified that all members of the Committee have adequate knowledge and experience on financial matters and remuneration policies.

Committee meetings are deemed to be validly constituted with the presence of the majority of the members in office; the Committee resolves by an absolute majority of the

attendees. In the event of a tie, the Chair of the Committee has the casting vote.

(ii) Tasks

The ACC carries out preliminary, propositional and advisory functions⁴¹ toward the Board of Directors:

- on the composition and size of the Board and Committees, as well as on equal treatment and opportunities;
- on remuneration matters.

(iii) Activities

The ACC met 10 times in 2022, with 93% average attendance of the members. The average duration of Committee meetings was 73 minutes.

With reference to the Appointments Committee and the Remuneration Committee established until 27 April 2022, they met, respectively, 4 and 7 times, during 2022, with an average attendance of 92% and 100% of the members. The average duration of the meetings was about 53 minutes for the Appointments Committee and about 96 minutes for the Remuneration Committee.

The following is a brief description of the main activities carried out by the ACC during the 2022 financial year, including the activities carried out by the Appointments Committee and the Remuneration Committee until 27 April 2022.

ACTIVITIES

- Examination and approval, in joint meeting with the Environmental, Social and Governance Committee, of the proposals for guidelines on the qualitative and quantitative composition of the Board of Directors
- Approval of the Report of the Committee on activities carried out in the second half of 2021 and first half of 2022
- Approval of the annual monetary incentive plan and long-term share-based incentive plans accrued
- Approval, after verifying that the requirements are met, of the proposal to appoint, pursuant to Article 2386, paragraph 1, of the Italian Civil Code, Qinqing Shen to the position of Director of Snam to replace Yunpeng He
- With regard to Subsidiaries included in the scope of consolidation and strategic foreign Investees, examination and/or approval of proposals for the Board of Directors on the appointment of members of corporate bodies
- Examination and approval of the 2022 Report on Remuneration Policy and Compensation Paid and its contents
- Examination and approval of the proposed definition of performance objectives for the purposes of the new LTI 2023-2025 Plan, particularly with regard to the identification of indicators relating to ESG factors
- Examination of the individual agreements relating to the indemnity for the termination of the directorship and executive employment relationship for Mr. Marco Alverà
- Examination and approval of the proposals regarding the remuneration of the CEO and General Manager, of the Non-Executive Chair and of the Directors for participation in the Board Committees

⁴¹ For a more detailed description of the duties of the ACC, see Annex 7 to this Report.

The Regulation of the ACC was approved by the Board of Directors on 12 October 2022.

The ACC Regulation is available on the Company's website (https://www.snam.it/export/sites/snam-rp/repository/ENG_file/Governance/Social_bodies/Committees/Snam-S.p.A.-CNR-Regolamento-di-funzionamento_ENG.pdf)

The Committee reported to the Board of Directors at the Board meetings of 16 March and 27 July 2022 on the activities carried out, in the first semester 2022, as well as at the meeting of 15 March 2023, and on the activities carried out in the second semester of 2022. Furthermore, in accordance with Recommendation no. 17 of the Corporate Governance Code, the Chair of the Committee reported on each meeting held at the following Board meeting.

For 2023, the Committee has defined its own calendar and has scheduled 9 meetings. At the date of approval of this Report, the first 4 meetings have already been held.

Pursuant to its Regulation, Directors may not take part in Committee meetings in which any proposal concerning their remuneration is made, except in the case of proposals concerning the general membership of the Committees established within the Board of Directors.

In accordance with the Regulation of the ACC, upon invitation of the Committee's Chair, in the course of 2022 external persons constantly attended the Committee's meetings in order to provide information and in-depth analyses and, specifically, in addition to external advisors who attended due to the specific nature of the matters discussed, the following managers and representatives of the corporate functions from time to time competent depending on the subject of the meeting: General Counsel, EVP Human Resources, Organisation & PFM and Financial Reporting Officer.

3.3 Environmental, Social & Governance and Energy Transition Scenarios Committee

(i) Composition

The ESGETSC is composed as follows:

Member	Position
Laura Cavatorta	Independent Non-Executive Director ⁽¹⁾ – Chair
Massimo Bergami	Independent Non-Executive Director ⁽¹⁾
Qinjing Shen	Non-executive
Rita Rolli	Independent Non-Executive Director ⁽¹⁾

⁽¹⁾ Independent directors pursuant to the independence requirements laid down by the TUF and the Corporate Governance Code

Committee meetings are deemed to be validly constituted with the presence of the majority of the members in office; the Committee resolves by an absolute majority of the attendees.

(ii) Tasks

The ESGETSC carries out preliminary, propositional and advisory functions towards the Board of Directors on sustainability and long-term energy transition scenarios, meaning the processes, initiatives and activities aimed at overseeing the Company's commitment to sustainable development along the value chain⁴². Responsibilities in this latter matter were assigned to the Committee as of 27 April 2022 and, on the same date, the Committee also assumed its current name (previously, the Environmental, Social and Governance Committee).

(iii) Activities

The ESGETSC met 12 times in 2022, with 95% average attendance of its members. The average duration of Committee meetings was 124 minutes.

⁴² For a more furthered description of the powers of the ESGETSC, please refer to Annex 7 of this Report.

In 2022, the ESGETSC focused its activities on the matters indicated in the following table.

ACTIVITIES

- Examination of the final results of the 2021 materiality analysis and of Snam's new materiality matrix
- Examination, in a joint meeting with the Appointments Committee, and approval of the submission to the Shareholders' Meeting of the guidelines for the qualitative and quantitative composition of the Company's Board of Directors for the three-year period 2022-2024
- Final account of the ESG objectives of the accrued annual monetary incentive plan and long-term share-based incentive plans
- Examination of the main results for 2021 and the various initiatives planned for 2022 in the area of "Diversity & Inclusion"
- Approval of its Report to the Board of Directors on its activities during the first half of 2022
- Board evaluation process of the Board of Directors for the three-year period 2022 - 2024
- Review of the Report on Corporate Governance and Ownership Structure 2021, including the diversity policy and Recommendations of the Corporate Governance Committee
- Proposal for new performance objectives linked to ESG factors in long-term share-based incentive plans
- Policy for managing dialogue with shareholders and other stakeholders: (i) review of the policy for the purpose of verifying alignment with the guidelines published by Assogestioni within the Italian Shareholder Director Exchange (ISDEX); and (ii) receipt of information on periodic monitoring of the policy and requests for engagement
- Examination of sustainable finance initiatives
- In-depth analysis on methane emissions and related targets
- Evidence from the study on the gender pay gap at Snam
- Snam Foundation's 2022 strategy and other profit and non-profit initiatives
- Examination of sustainability documents, i.e.: (i) Sustainability Report, (ii) Climate Change Report, prepared according to the recommendations of the TCFD (Task Force on Climate Related Financial Disclosure), (iii) DNF, (iv) Transition Bond Report

The Regulation of the ESGETSC was most recently amended by the Board of Directors on 12 October 2022.

The Regulations of the ESGETSC are available on the Company's website (https://www.snam.it/export/sites/snam-rp/repository/ENG_file/Governance/Social_bodies/Committees/Snam-S.p.A.-CESGSTE-Regolamento-di-funzionamento-del-Comitato_ENG.pdf)

The Committee reported to the Board of Directors at the Board meetings of 16 March and 27 July 2022 on the activities carried out in the first semester of 2022, as well as at the meeting of 15 March 2023 on the activities carried out in the second semester of 2022. Furthermore, in accordance with Recommendation no. 17 of the Corporate Governance Code, the Chair of the Committee also reported on each meeting held at the following Board meeting.

For 2023, the Committee has defined its calendar and has scheduled 12 meetings. As of the date of approval of this Report, 6 meetings have already been held.

The meetings were attended by the Chair of the Board of Statutory Auditors and/or other members of the Board of Statutory Auditors. Persons who are not members of the Committee also constantly attended the meetings, upon invitation by the Chair of the Committee, in order to provide information and express the assessments of competence with reference to the individual items on the agenda and, in particular, in addition to external advisors who took part by virtue of the specific nature of the matters dealt with, also the following managers and representatives of the corporate departments from time to time competent, depending on the subject of the meeting: General Counsel, EVP Human Resources, Organization & PFM and EVP Institutional Affairs, ESG, Communication & Marketing.

4. SNAM'S BOARD OF STATUTORY AUDITORS AND EXTERNAL AUDITORS

4.1 Snam's Board of Statutory Auditors

The Board of Statutory Auditors, pursuant to the TUF, oversees compliance with the law and with the deed of incorporation, as well as respect for the principles of proper administration in the performance of company activities. It also evaluates the adequacy of the organisational, administrative and accounting structure adopted by the Company, and how it functions in practice. Furthermore, pursuant to Article 19 of Legislative Decree No. 39 of 27 January 2010 (as updated by Legislative Decree No. 135 of 17 July 2016, which implemented European Directive 2014/56/EU on statutory audits), the Board of Statutory Auditors also performs supervisory functions in its capacity as the "Internal Control and Audit Committee".

(i) Composition

The Company's current Board of Statutory Auditors was appointed by the Shareholders' Meeting of 27 April 2022 for three financial years and, in any event, until the date of the Shareholders' Meeting called to approve the financial statements as of 31 December 2024. The following table provides information about the current members of the Board of Statutory Auditors:

Member	Position	List in which he/she was submitted
Stefano Gnocchi	Standing Auditor and Chair	List submitted jointly by the institutional investors
Gianfranco Chinellato	Standing Auditor	Cdp Reti list
Ines Gandini	Standing Auditor	Cdp Reti list
Federica Albizzati	Alternate auditor	List submitted jointly by the institutional investors
Maria Gimigliano	Alternate auditor	Cdp Reti list
Federico Sambolino	Alternate auditor	Cdp Reti list

Two lists for the appointment of the Board of Statutory Auditors were submitted at the Shareholders' Meeting of 27 April 2022:

(i) a list submitted by Cdp Reti (two candidates for standing auditor and two candidates for alternate auditor); and

(ii) a joint list presented by institutional investors (one candidate for standing auditor and one candidate for alternate auditor).

The share capital represented at the Shareholders' Meeting and entitled to vote for the appointment of statutory auditors through list voting constituted 74.54% of the share capital. The list submitted by Cdp Reti was voted for by 66.76% of the share capital (the list receiving the most votes), while the list submitted jointly by the institutional investors was voted for by 7.16% of the share capital.

Therefore, applying the provisions of the Articles of Association on the list voting mechanism applicable in 2022, 3 standing auditors were appointed (2 from the Cdp Reti list and 1, namely the Chair of the Board of Statutory Auditors, from the institutional investors' list) and three Alternate Auditors were appointed (2 from the Cdp Reti list and 1 from the institutional investors' list).

The personal and professional characteristics of each statutory auditor are described in the biographies below⁴³.

⁴³ For the full versions of the CVs of each statutory auditor of the Company currently in office, visit the following web address: <http://www.snam.it/it/etica-governance/collegio-sindacale/>.



Stefano Gnocchi - Chair

Nationality: Italian

Professional background: Chartered accountant and auditor

Degree in Economics with a specialisation in finance and Master's in Business and Knowledge Audit at the Catholic University of Milan.

He is a Chartered Accountant and Statutory Auditor, Certificate Risk Management Assurance (CRMA), Information System Auditor (CISA), Internal Audit Qualified External Assessor/Validator (QAR).

He is Chair of the board of statutory auditors of Snam S.p.A. listed group in Italy leader in transport, storage and regasification. He is Chair of the board of statutory auditors of MutuiOnline, listed group leader in Italy in the market for the distribution of credit products. Standing Auditor of MTA S.p.A., a multinational automotive company

Member of the supervisory body of listed company; member of the commissions of the Order of Chartered

Accountants of Milan and of the research committees of Assirevi. Member of the AIIA, AIAF, ANDAF, IGS and NedCommunity associations.

Contract lecturer at the Department of Economic and Business Sciences at the University of Pavia (2010-2017).

20 years of professional experience at the Big Four (both in Italy and the US) and at Mazars (Italy), in the areas of governance and internal control systems, evaluation of governance, compliance, internal audit, risk management, management control, investigation & fraud auditing and financial audit, certification of business plans and assurance of management control systems and prospectuses.

Main sectors: automotive, petroleum, energy&utilities, food&gdo, fashion, retail, e-commerce, insurance, banking, asset management, real estate.



Gianfranco Chinellato - Standing Auditor

Nationality: Italian

Professional background: Chartered accountant and auditor – University lecturer

Born in Padua in 1951.

Degree in Economics and Business from "La Sapienza" University in Rome.

He is registered in the Register of Chartered Accountants and Accounting Experts and in the Register of Statutory Auditors.

Since 1996 he has been a professor of tax law at the University of Tuscia in Viterbo, and at the Accademia della Guardia di Finanza. He is the author of the monography "CODIFICAZIONE TRIBUTARIA E ABUSO DEL DIRITTO – Contributo allo studio degli strumenti di contrasto all'elusione fiscale", CEDAM, Padova - 2007 in the series "CURRENT ISSUES OF TAX LAW", directed by Franco Gallo, of the section "DIPORTO NAUTICO, DIRITTO TRIBUTARIO" in Legal Encyclopaedia, Istituto della Enciclopedia Italiana Treccani, Rome – 2005, as well as author of several essays and articles on tax and corporate issues in leading legal journals. Since 1978, he has performed corporate and economic consultancy and assistance work, both in Italy and abroad, in the various industrial, hotel, hospital and service sectors, as well as consulting, assistance, defence and tax representation work for leading banking institutions, public and private bodies, and industrial, commercial and services Companies of all sizes, including securities and insurance brokers. Among his other activities, for the National

Research Council (CNR), Vicariate General for Vatican City, I Kronos Group, Italian Private Hospitals Association (A.I.O.P.), HUMANITAS, GIOMI S.p.A., GVM S.p.A., TRAFALGAR Ltd Group, Cassa Nazionale di Previdenza e Assistenza Dottori Commercialisti (social welfare fund for chartered accountants), Cassa Nazionale degli Ingegneri (social welfare fund for engineers), Cassa Nazionale di Previdenza degli Psicologi (social welfare fund for psychologists), as well as Costa Smeralda Consortium, Porto Rotondo Consortium, UNIONCAMERE and special Chamber of Commerce-registered Companies and Firms.

Since 1978, he has held and continues to hold positions as Chair and Statutory Auditor of listed and non-listed companies, and as Chair and member of the supervisory bodies of various companies.

Since 1996, he has been registered in the Register of Technical Advisors of the Court of Rome, for which he has produced major expert reports, including on ENEL S.p.A. (distribution branch, 1999), SERFI S.p.A. and SOFID S.p.A. (ENI Group, 1998).

From 2010 to 2015, he was a technical consultant to the Land Registry, now embedded in the Tax Agency.

Since 2020, member of the Ufficio del Massimario of the Lazio Regional Tax Commission.



Ines Gandini - Standing Auditor

Nationality: Italian

Professional background: Chartered accountant and auditor

Born in Rome on 4 November 1968. She is standing auditor of SNAM since 27 April 2022.

Graduated with honours in Economics and Business at "La Sapienza" of Rome, followed by a postgraduate course in Governance, Risk and Compliance at the Luiss Business School - Board Academy and the specialisation course ESG Analysis & Investing on the integration of ESG issues in financial analysis and investments at the Politecnico di Milano.

A chartered accountant and auditor, from May 2016 until April 2022 she carries out highly specialised professional activities on tax law issues at the Salvini e Soci - Studio Legale law firm. From 2006 to 2008 he was tax expert SECIT Legal and economic advisor at the Cabinet of the Ministry of Economy, Finance section. From 1997 to 2006, she worked in corporate and tax matters in the corporate, financial and insurance sectors with a focus on corporate reorganisation operations, extraordinary finance, issuance of listed and unlisted securities, project financing and securitisation operations,

establishment of private equity funds, real estate funds, and drafting of stock option plans at Chiomenti law firm.

He deals with Corporate Governance, is a member of the Board of Directors of Nedcommunity as well as head of Nedcommunity's Rome Chapter.

She is an independent director of Italo - Nuovo Trasporto Viaggiatori S.p.A., Fideuram Vita S.p.A. - Gruppo Intesa Sanpaolo, Eurizon Capital Real Asset SGR S.p.A. - Gruppo Intesa Sanpaolo Group, Fondo Italiano d'Investimento SGR S.p.A., AS Roma S.p.A.; member of the Board of Auditors of Auditors and Supervisory Board of the Fondazione Leonardo Civiltà delle Macchine and member of the Board of Auditors of the Auditors of the Fondazione La Biennale di Venezia; member of the Compliance/Control Body of the Milan Cortina 2026 Foundation, Standing Auditor of Nexive Network S.r.l. - Poste Italiane Group and of Holding Reti Autostradali S.p.A., Cassa Depositi e Prestiti Group.

Federica Albizzati - Alternate Auditor

Nationality: Italian

Professional background: Chartered accountant and auditor

Born in Varese on 22 October 1970.

Degree with honours in Business Economics at the Luigi Bocconi University of Milan in 1994, 110/110.

State examination for practising the profession of Chartered Accountant and Auditor in 2001.

Registered in the register of Chartered Accountants and Accounting Experts of Busto Arsizio at No. 513, section A and in the Register of Statutory Auditors since 2001.

Senior Tax Consultant of Counsel at CARAVATI PAGANI - Dottori Commercialisti Associati.

Areas of specialization: corporate and tax consultancy, extraordinary transactions, corporate groups, holding companies and contracts.

She holds positions of Chair of the board of statutory auditors, standing auditor and external auditor.

Maria Gimigliano - Alternate Auditor

Nationality: Italian

Professional background: Chartered accountant and auditor

Born in Naples on 2 June 1976.

Degree in Business Economics from the Luigi Bocconi University of Milan.

She is standing auditor and member of the Supervisory Board di Cedacri S.p.A.

She is standing statutory auditor of

Infrastrutture Trasporto Gas S.p.A., Tep Energy Solution S.r.l., Asset Company 2 S.r.l., Minci S.p.A., Evolve S.p.A., B4i Fund SIS S.p.A.; Surfaces Technological Abrasives S.p.A., ADI S.r.l., RBM Italia S.r.l., Luna Abrasivi S.r.l., Vincent S.r.l. ed Ennefin S.p.A.

She is enrolled in the Register of Auditors.

Federico Sambolino - Alternate Auditor

Nationality: Italian

Professional background: Chartered accountant and auditor

Born in Genoa on 22 December 1975. Since 27 April 2022 he has been Alternate Auditor of Snam. Degree in Economics and Commerce from the Catholic University of Milan.

He is a member of the Order of Chartered Accountants and Accounting experts of Milan and

in the Register of Auditors; he is a Member of the Institute of Chartered Accountants of England and Wales (ICAEW).

Since 2019 he has been a partner of Studio CT&P, a leading corporate and tax consultancy firm in national and international arena, in Milan.

For a description of the main duties of the Board of Statutory Auditors pursuant to the applicable law, and the provisions of the Articles of Association governing methods of appointing and substitution the statutory auditors and their term of office, see Annex 8 to this Report.

For an illustration of the policy adopted by Snam on diversity in the composition of corporate bodies, including the Board of Statutory Auditors, please refer to Paragraph 2.3, Section III of this Report.

The remuneration of the Board of Statutory Auditors is determined by the Shareholders' Meeting, taking account the expertise, professionalism and commitment required, the importance of the position held and the size and sector characteristics of Snam. For an illustration of the remuneration policy adopted by Snam, please refer to the Remuneration Report made available on the Company's website in the section dedicated to the Shareholders' Meeting of 4 May 2023.

(ii) Meetings of the Board of Statutory Auditors

The Board of Statutory Auditors met 15 times in 2022; all meetings were attended by all statutory auditors (see Table 2 in Section VI). The average duration of the meetings was 180 minutes.

For 2023, the Board of Statutory Auditors has scheduled 12 meetings. As of the date of approval of this Report, 4 meetings were held.

Pursuant to the Guidelines entitled "Transactions in which directors and statutory auditors have an interest and related-party transactions", the members of the Board of Statutory Auditors must declare any interest on their own behalf or that of third parties in specific transactions submitted to the Board of Directors. No situations arose in which such declarations were required from the members of the Board of Statutory Auditors in 2022.

The Board of Statutory Auditors is the recipient of the information flows necessary for the exercise of its duties as provided for in the "Framework Resolution between the Boards of Statutory Auditors of the Snam Group", which formalises the information flows between the boards of statutory auditors of the Snam Group.

A description of the ways in which the Board of Statutory Auditors interacts with the CRRPTC and with the Internal Audit function can be found in Paragraph 1.3 of Section IV of the Report.

(iii) Independence of the Board of Statutory Auditors

The Company's Board of Directors, after consulting the Appointments Committee, established, most recently on 14 December 2021, the quantitative and qualitative criteria for assessing the significance of relevant circumstances pursuant to Recommendation no. 7, first paragraph, of the Corporate Governance Code for the purpose of assessing the independence of directors and statutory auditors. In light of these criteria, the Benchmark is currently equal to 60,000 euro for the Standing Auditors and 80,000 euro for the Chair of the Board of Statutory Auditors.

For a more detailed description of these criteria, please refer to Paragraph 2.11 above of this Section of the Report.

The Board of Statutory Auditors verified that all the members of the Board of Statutory Auditors meet the independence requirements set forth in Article 148, paragraph 3, of the Consolidated Financial Act, as well as those indicated by Recommendation no. 7 and no. 9 of the Corporate Governance Code immediately after the appointment of the relevant members, on 27 April 2022, on the basis of the statements provided by the Statutory Auditors themselves.

The results of these verifications were the subject of a press release issued by the Board of Directors. The fulfillment of the aforementioned independence requirements was lastly ascertained, as part of the annual verification of the Board of Statutory Auditors, on 2 March 2023.

4.2 Board of Statutory Auditors evaluation

The Board of Statutory Auditors carried out its self-assessment related to the financial year 2022 with the assistance of Spencer Stuart, a leading consulting firm on corporate governance issues, which also supported the Company's Board of Directors in its self-assessment process.

This is a best practice that the Board of Statutory Auditors of Snam adopted, despite the absence of a specific recommendation of the Corporate Governance Code.

The activity was carried out by means of an integrated method consisting of the filling in, by each auditor, of a questionnaire concerning the size, composition and functioning of the Board of Statutory Auditors as a whole and of an individual interview carried out by the advisor in order to examine in depth both the most relevant aspects that emerged from the filling in of the questionnaire and the contribution of the individual statutory auditors in terms of style and content of the contribution provided.

The 2022 financial year was the first year of the current Board of Statutory Auditors' term of office. All the Statutory Auditors were willing and showed keen interest in actively participating in the self-assessment process.

SIZE AND COMPOSITION

SIZE

The current number of 3 Statutory Auditors is considered adequate.

COMPOSITION

Adequate mix of professionalism and expertise in the body.

FUNCTIONING

EFFECTIVENESS ON ISSUES OF ITS COMPETENCE

The body fully carried out its functions of supervising the management and compliance with the law and the Articles of Association. The Board of Statutory Auditors fulfilled its duties by exercising all the powers conferred to it by law and being able to rely on a constant and analytical flow of information from the Company.

ONBOARDING AND INDUCTION

Extensive appreciation for the onboarding and induction program, which aims to facilitate the rapid induction of new members of both the Board of Directors and the Board of Statutory Auditors.

ATTENDANCE

In addition to meeting for its own activities, the Board of Statutory Auditors participates in its entirety in all Board meetings and ensures participation in Committees. On numerous occasions it holds joint meetings with CRRPTC.

ORGANIZATION

MEETINGS

The Statutory Auditors sought to ensure physical presence at meetings of the body itself, the Board, and the Committees.

BOARD INFORMATION

Unanimous appreciation for the quality and completeness of the documents and the timeliness of their receipt.

4.3 External Auditors

As required by law, the statutory audit is assigned to an independent auditing firm listed in the relevant register and appointed by the Shareholders' Meeting based on a reasoned proposal from the Board of Statutory Auditors. On 23 October 2019, the Shareholders' Meeting resolved to grant the mandate of external auditors to Deloitte & Touche S.p.A. for the financial years ended 31 December 2020-2028, on the recommendation of the Board of Statutory Auditors.

5. INDUCTION PROGRAMME FOR DIRECTORS AND STATUTORY AUDITORS

Snam takes a proactive approach to improving the Company's efficiency by involving directors and statutory auditors in Board induction sessions.

In 2022, Board induction sessions were held and attended by the members of both the Board of Directors and the Board of Statutory Auditors.

The board induction sessions, in accordance with the provisions of the Corporate Governance Code, were designed to provide Directors and Statutory Auditors with timely updates concerning the business sector in which the Company operates, also in light of the Company's dynamics and the evolution of the corporate structure, as well as in-depth analyses concerning issues related to the energy transition process and related strategic objectives, such as, for example, the role of hydrogen. The sessions were designed and led by the management teams of the relevant departments.

The following table provides a summary of the induction meetings held in 2022.

Date	Object
11 May	"The role of directors in the listed company (S.p.A.)"
12 May	"Market and Regulation" 1° module and "The Italian assets of Snam's core business"
7 June	"Market and Regulation" 2nd module
14 September	"Global Security & Cyber Defence" and "Integrity and safety management of the gas network"
15 September	"Strategic Pathways - Setting the stage for the strategic pathways" – board retreat
21 September	"Illustration of corporate organisation and remuneration policies"
12 October	"Off site visit at the Sergnano gas compression plant. "Snam storage facilities and Sergnano plant"
9 November	"Energy Transition Business" and "ESG Policies"

6. RELATIONS WITH SHAREHOLDERS AND OTHER STAKEHOLDERS RELEVANT TO THE COMPANY

In line with the Code of Ethics and the Corporate Governance Code, Snam keeps an on-going dialogue with shareholders, institutional investors, including ESG investors, analysts, the other financial market operators and the other stakeholders relevant to the Company, especially through the activity carried out by "Investor Relations" function.

With this view Snam has been promoting digital communication for years as an efficient and preferred means of sharing corporate, financial and business information, with a view to establishing a relationship of transparency and trust with its stakeholders and potential investors. The Company remained at the top in digital corporate communication in the Webranking by Comprend Italy and Europe also in the 2022-2023 edition, confirming the transparency and quality of the content offered.

From this perspective, Snam guarantees the systematic dissemination to investors, the market and the media of comprehensive and timely information on its activities, without prejudice to the need for confidentiality that certain information may entail. This information is provided through press releases, periodic meetings with institutional investors, the financial community and the press, as well as through extensive documentation and numerous publications made available and constantly updated on the Company's website, particularly in the "Investor relations" section. With the aim of providing a full and detailed representation of financial data and strategies, top management also presents the Company's results (quarterly, half-yearly and annual) and strategy (Strategy Presentation) to the market through dedicated conference calls. Further information may always be requested also by email at the address investor.relations@snam.it.

Snam encourages the exercise of voting rights at Shareholders' Meetings and believes that the involvement of shareholders and the establishment of a relationship of trust with them represent strategic elements. With this in mind, also in 2022, the Company offered, among other things, the opportunity to follow the Shareholders' Meeting via live streaming, so as to ensure the involvement of shareholders and other stakeholders despite the limitations and precautions that the Company continued to adopt in order to minimise the risks associated with the COVID-19 pandemic.

Snam is committed to promoting a transparent and collaborative relationship not only with shareholders, but with all of its stakeholders. In fact, the Group has continued to make a commitment to organising and reorganising its initiatives, in order to ensure that stakeholder engagement activities are carried out with a view to listening to and including all stakeholders, promoting continuous dialogue, increasing mutual trust and serving its decision-making processes in the best possible way. Stakeholder listening initiatives involve all corporate structures, each within the scope of its prerogatives, roles and responsibilities. In order to ensure a homogeneous approach to dialogue activities, since 2016 the Group has adopted a Stakeholder Engagement Policy, most recently updated in 2021, which defines Snam's approach on the subject. Based on this policy, Snam:

- identifies the different categories of stakeholders with whom it interacts by following the evolution of the context and the development of business activities;
- analyses and understands the profile of stakeholders and the Company's positioning towards them;
- delves into the interests and issues relevant to each stakeholder category through the periodic updating of the materiality analysis;
- periodically reports and communicates management results to stakeholders in relation to material issues of mutual interest through the Sustainability Report and all other reporting and communication tools developed by the Company.

In the course of 2022, as part of the materiality analysis, Snam reached approximately 7,700 stakeholders (including employees) through questionnaires and meetings with a redemption of approximately 37%, and carried out multiple engagement initiatives with individual stakeholder categories, which are punctually reported in the 2022 Sustainability Report submitted to the Board of Directors along with all corporate sustainability information and made available on the Company's website in the section dedicated to the Company Shareholders' Meeting of 4 May 2023.

6.1 Engagement Policy

The Company has always recognised the centrality of dialogue with its shareholders and bondholders, as well as with institutional investors and asset managers, and encourages constant and continuous dialogue that results in benefit for investors and the Company, with a view to creating value in the medium-long term. To this end on 29 July 2021 the Board of Directors of the Company approved the Policy for managing dialogue with the Shareholders and other stakeholders (the "**Engagement Policy**"), available in the "Governance and Conduct" section of the Company's website⁴⁴, in line with the recommendations of the Corporate Governance Code, the engagement policies adopted by institutional investors, proxy advisors and asset managers and international best practices.

Such policy is aimed at regulating the traditional means of conducting dialogue not only with the Company's shareholders, but also – in implantation of Principle IV of the Corporate Governance Code – with the other main stakeholders relevant to the Company, and namely the holders of other financial instruments issued by the Company, proxy advisors and rating agencies (along with shareholders, the "**Interested Parties**"). The following table summarizes the main provisions of the Engagement Policy.

⁴⁴ The Engagement Policy is available on the Company's website at the following link: https://www.snam.it/export/sites/snam-rp/repository/file/Governance/corporate_governance/Politica-in-materia-di-dialogo-con-gli-azionisti.pdf.

MEANS OF DIALOGUE

REGULATION

The Company guarantees constant interaction with the Interested Parties also through dialogue with the Board of Directors, which may be activated upon the written request of an Interested Party, should the latter deem it necessary, or at the Company's initiative, through the organisation of meetings, in a one-way or two-way manner and in collective or bilateral form, with one or more Interested Parties, which may also be attended by one or more Directors and/or managers of the Company in the cases and in the manner established by the Engagement Policy, with the support of the competent corporate functions.

GENERAL PRINCIPLES

REGULATION

In managing dialogue with Interested Parties, the Company shall operate in accordance with the following general principles: (i) the principle of transparency of the information provided within the scope of the dialogue, pursuant to which the information provided shall be clear, complete, correct, truthful and not misleading; (ii) the principle of equal treatment of the holders of financial instruments issued by the Company; (iii) compliance with the provisions of law and regulations from time to time in force as well as the internal rules of governance, ensuring in any case the application of the principles of cooperation and transparency with the supervisory authorities and competent administrations.

SUBJECT OF THE DIALOGUE

REGULATION

The dialogue between the Company and the Interested Parties may concern, in particular: (i) management performance, financial statements and periodic financial results; (ii) corporate strategy (business plan, announced investments, targets); (iii) dividend policy; (iv) buy-back plans; (v) the performance of the Company's shares and other financial instruments issued by the Company; (vi) transactions announced or implemented by Snam and its subsidiaries of significant strategic, economic, equity or financial importance; (vii) the competitive and regulatory context; (viii) the corporate governance system; (ix) the appointment and composition of corporate bodies (including board committees), also with reference to their size, professionalism, integrity, independence and/or diversity; (x) environmental, social and sustainability issues; (xi) the remuneration policy for directors and executives with strategic responsibilities; (xii) transparency and corporate disclosure to the market; (xiii) the internal control and risk management system, including with regard to financial reporting; (xiv) transactions announced or carried out with related parties; (xv) extraordinary and/or particularly significant events that have occurred and which may significantly affect Snam's prospects and/or its reputation.

ROLES

REGULATION

In the dialogue with the Interested Parties, the following are involved: (i) the Board of Directors, with a role in directing, supervising and monitoring the application of the Engagement Policy and, in general, the progress of dialogue; (ii) the Chair, who – in coordination with the Chief Executive Officer, the Investor Relator and the Secretary – assesses the identification of the Directors to be involved in the dialogue, informs the Board of Directors of the development and significant contents of each dialogue held at the following meeting, and – in agreement with the ESGETSC – submits to the Board any proposals to amend or supplement the Engagement Policy; (iii) the Chief Executive Officer, empowered by the Board of Directors, who reports periodically, and promptly on the occasion of significant events, to the Board of Directors with regard to procedures for managing dialogue and, in relation to controversial issues (including in the event of a conflict of interest on the part of the Chief Executive Officer with respect to the issues involved in the dialogue), requests the Board of Directors to assess the existence of the Company's interest in establishing a dialogue with one or more Interested Parties; (iv) the Investor Relations function, which interacts on an on-going basis with institutional investors, financial analysts and Interested Parties; (v) the Secretary of the Board of Directors, who interacts with Interested Parties in coordination with the Investor Relator, particularly on corporate governance issues.

DIALOGUE REQUESTS

REGULATION

In order to decide whether to accept or reject a request for dialogue received, or whether to initiate a dialogue, as well as to establish the relevant procedures, the Chief Executive Officer shall proceed to a case-by-case assessment, according to the best interests of the Company and taking into account certain factors identified, by way of example but not limited to, in the Engagement Policy.

CONDUCT OF THE DIALOGUE

REGULATION

In case the request for dialogue or for starting a dialogue is granted, the Chief Executive Officer, with the support of the Investor Relator and the Secretary (i) defines the specific procedures for conducting the dialogue; (ii) ensures adequate preparation of the meetings with Interested Parties; (iii) may adopt the most appropriate measures for guaranteeing the confidentiality of sensitive information; (iv) on the basis of the procedures for conducting the meeting, the topics to be discussed and/or the requests received from Interested Parties, may invite to participate in the dialogue with Interested Parties the Chair, the other Directors and the managers of the Company who have the most suitable knowledge and skills to provide information relevant to the dialogue.

CHECKS

REGULATION

The ESETSC has the task of periodically verifying the correct application of the Engagement Policy and the adequacy of the related provisions in the light of the evolution of best practices on the subject at national and international level, as well as the applicable legal provisions and the provisions of the Corporate Governance Code, submitting to the Board of Directors, in agreement with the Chair, any proposals for amendment or integration.

The ESETSC on 28 November 2022 has verified the correct application of the Engagement Policy and the adequacy of the related provisions in the light of the evolution of best practices on the subject at national and international level, as well as the applicable legal provisions and the provisions of the Corporate Governance Code.

6.2 Engagement activities carried out

Also in 2022, an engagement activity was carried out before the Shareholders' Meeting with the main proxy advisors, aimed at a productive discussion on corporate governance issues, but also on environmental and social aspects.

In addition, dialogue with institutional investors continued in hybrid form (both digital and in presence):

- 24 sector conferences and road shows, in the major European and North American financial centres, which allow investors specialised in the utilities and infrastructure sector to meet with top management;
- about 230 ESG investors were met.

The engagement policy was put into practice for the first time in 2022, following the initiative of some investors who formally requested its activation in order to establish a dialogue with the Board of Directors. The first formal activation process was followed by Etica SGR, which made a request in the fall following the steps indicated in the policy. In particular, the dialogue concerned the possibility of obtaining SBTi's certification of emission reduction targets (currently not possible in the absence of a specific methodology for TSO gases and the impossibility for Snam

to use the general methodology) and Snam's approach toward Just Transition.

In the early months of 2023, Snam launched a direct engagement activity with a number of major shareholders by organizing a roadshow dedicated to governance, compensation and sustainability issues prior to the 2023 Shareholders' Meeting. In the context of this activity, the Chair, accompanied by the support functions, met with the stewardship structures of 6 large institutional investors who provided valuable feedback. Snam intends to continue this activity during 2023.

Every year, before the Shareholders' Meeting, "The Snam Shareholder" guide, an additional engagement tool with investors, is published on Snam's website⁴⁵, which provides an in-depth look at the structure of the Group, its history, performance, strategic guidelines and the characteristics of the share on the stock market.

For further information on the Company's engagement activities with stakeholders other than shareholders please refer to the Sustainability Report 2022 made available on the Company's website in the section dedicated to the Company's Shareholders' Meeting of 4 May 2023.

⁴⁵ The document relating to the Shareholders' Meeting of 27 April 2022, is available at the following link: https://www.snam.it/export/sites/snam-rp/repository/ENG_file/investor_relations/shareholders_update/The_snam_shareholder/snam_shareholder_april_2022.pdf.

7. CONSIDERATIONS REGARDING THE 2023 RECOMMENDATIONS OF THE CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee, within the 10th Report on the application of the Corporate Governance Code of the financial year 2022 has identified certain areas in which it has called on listed companies to comply more closely with the provisions of the Corporate Governance Code (the “**2023 Corporate Governance Recommendations**”).

The 2023 Corporate Governance Recommendations are a useful tool to align companies' corporate governance structures with national and international best practice. Snam, on the proposal

of the ESGETSC, submitted these Recommendations to the Board of Directors at its meeting of 15 March 2023.

The following table shows (i) the specific recommendations made by the Corporate Governance Committee to the administrative bodies and (ii) Snam's position with reference to each of these recommendations. In this regard, Snam believes, as detailed below and described within this Report, that it has already aligned itself with the Recommendations made by the Corporate Governance Committee.

DIALOGUE WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

RECOMMENDATION	SNAM'S VIEW
Adopt a policy of dialogue with shareholders that also provides for the possibility of this being initiated at the initiative of investors, defining graduated modalities and procedures, based on the principle of proportionality, according to the company's characteristics in terms of size and ownership structure.	Snam has adopted the Engagement Policy, which, as illustrated in Section 6.1 above, (i) provides that dialogue between the Board of Directors and Interested Parties, including investors, may also be initiated at the latter's written request and (ii) involves a number of individuals, traceable to different Snam corporate bodies and functions, and clearly identifies their roles and responsibilities in dialogue with Interested Parties, in order to ensure that they can interact with the Company in a manner and on the basis of procedures appropriate to Snam's size and ownership structure.
Consider providing information, in the corporate governance report, on the most relevant matters that have been the subject of the dialogue with shareholders and on any initiatives taken to take account of the indications that have emerged.	As indicated in the context of the information provided in Paragraph 6.2 above, in 2022 the Engagement Policy was concretely implemented for the first time, following the initiative of a number of investors who formally requested its activation in order to establish a dialogue with the Board of Directors. In the aforementioned Paragraph 6.2, the Company therefore indicated the most relevant matters that were the subject of dialogue with shareholders pursuant to the Engagement Policy.
Provide adequate information in the Corporate Governance Report on the criteria and ways in which the board of directors has promoted dialogue with other relevant stakeholders.	As illustrated in Paragraph 6 above, the Company has a long-standing commitment to promoting a transparent and collaborative relationship not only with shareholders, but with all of its stakeholders, describing in its Sustainability Reports the criteria and methods used by the Board of Directors to promote dialogue with these parties. In addition, the Engagement Policy adopted by Snam provides for the possibility of activating dialogue not only with the Company's shareholders, but also with other major stakeholders relevant to the Company, and in particular with holders of other financial instruments issued by the Company, proxy advisors and rating agencies.

DELEGATION OF POWERS TO THE CHAIR

RECOMMENDATION	SNAM'S VIEW
In companies in which the chair is granted significant management powers, provide adequate reasons for this in the Corporate Governance Report, even if the chair does not qualify as CEO.	The Company has not assigned any management powers to the Chair of the Board of Directors, who is only assigned the functions indicated in Paragraph 2.7 above.

PRE-BOARD MEETING INFORMATION

RECOMMENDATION

Provide procedures for the management of the pre-board meeting information that do not include generic exemptions to the timely provision of information for reasons of confidentiality of data and information and provide, in the corporate governance report, detailed information on any failure to comply with the notice period specified in the procedures for the provision of board documentation, explaining the reasons and illustrating how adequate in-depth analysis was ensured at the board meeting.

SNAM'S VIEW

Snam has for a long time adopted the necessary safeguards to ensure effective compliance with pre-board meeting information, in accordance with the procedure governed by the provisions of the Regulation on the functioning of the Board of Directors (as described in Paragraph 2.5) and Committees (as described in Paragraph 3). These rules do not provide for any exemptions to the timeliness of the pre-board meeting disclosure for reasons of data confidentiality. Moreover, with regard to the 2022 financial year, as indicated in Section III, Paragraph 3 of this report, the deadlines set by the aforementioned provisions were generally met, save for exceptional cases of material being sent close to the meetings due to the extraordinary nature of certain situations and/or the short time between meetings. In any case, where it was not possible to comply with the notice period, the Chair of the Board of Directors or of the Committee concerned, as the case may be, ensured that the additional information provided during the meetings was adequate to enable the Directors to act in an informed manner in the performance of their role.

PARTICIPATION OF MANAGEMENT TO BOARD MEETING

RECOMMENDATION

Define, in the regulations adopted for the functioning of the board of directors and its committees, the manner in which these bodies may access the relevant corporate functions according to the subject matter, under the coordination of the chair of the board of directors or committee, respectively, in agreement with or informing the CEO.

SNAM'S VIEW

As illustrated in the Report, pursuant to the Regulation of the functioning of the Board of Directors, the Chair of the Board, with the assistance of the Secretary, ensures, in agreement with the Chief Executive Officer, that Company and Group executives, heads of corporate functions competent according to the subject matter, or other external parties, attend Board meetings, also at the request of individual Board members, to provide the appropriate in-depth analyses on items on the agenda; the regulations of the Board Committees also provide that, in the performance of their functions, the Committees have the right to access corporate information and functions, have adequate financial resources and, in particular, within the terms established from time to time by the Board of Directors, may make use, through the Company's structures, of external consultants who are not in situations that compromise their independence of judgement.

Provide information in the corporate governance report on the actual participation of managers in board and committee meetings, indicating the functions involved and the frequency of involvement.

Paragraph 2.5 and Paragraph 3 of this Report provide information on the participation of managers in board and committee meetings, also indicating the functions involved and the frequency of involvement.

GUIDELINES ON BOARD COMPOSITION

RECOMMENDATION

At least in companies other than those with concentrated ownership, express, with a view to its renewal, a guideline on the optimal composition of the body and publish this guideline sufficiently in advance to allow those submitting lists of candidates to be able to take it into account for the purposes of the composition of the list.

SNAM'S VIEW

In line with past renewals of corporate bodies, in view of the Shareholders' Meeting of 27 April 2022, the outgoing Board of Directors expressed its guidelines to the shareholders on the future size and composition of the Board of Directors in light of its renewal and any resolutions on the co-optation of directors who ceased to hold office during the financial year (see Annex 5). The guidelines expressed, which were published on the Company's website well in advance of the publication of the notice of call (i.e. on 17 February 2022), took into account the results of the self-assessment of the Board of Directors and the diversity criteria, requesting those who presented a list containing a number of candidates exceeding half of the members to be elected to provide adequate information on the list's compliance with the aforesaid guidelines, also with reference to such criteria, and to indicate their candidate for the office of Chair of the Board of Directors.

SIGNIFICANT RELATIONSHIPS AND ADDITIONAL REMUNERATIONS FOR THE PURPOSES OF THE INDEPENDENCE REQUIREMENTS

RECOMMENDATION

Define ex-ante and disclose in the corporate governance report the quantitative parameters and qualitative criteria for assessing the significance of any commercial, financial or professional relationships and any additional remuneration for a director's independence, and to assess the appropriateness of quantitative parameters, also defined in monetary terms or as a percentage of the remuneration granted for the office and for participating in committees recommended by the Code.

SNAM'S VIEW

Paragraph 2.11 of this Report sets forth the quantitative and qualitative criteria for assessing the significance of relevant circumstances pursuant to Recommendation No. 7, first paragraph, of the Corporate Governance Code for the purpose of determining the independence of directors and statutory auditors, as last amended on 14 December 2021. In particular, the Board of Directors has identified, as a quantitative criteria, the percentage of 100% of the average remuneration received, respectively, by non-executive directors and statutory auditors for their office and for any participation in board committees.

REMUNERATION POLICY

RECOMMENDATION

Include in the remuneration policy of the CEO and the other executive directors an executive summary, in table form, showing the composition of the remuneration package, with an indication of the characteristics and weight of the fixed, short-term variable and long-term variable components with respect to the total remuneration, at least with reference to the achievement of the target objective of the variable components.

SNAM'S VIEW

The Report on remuneration policy Report on remuneration policy and compensation paid 2023 contains an initial abstract providing, in table form, indications on the purpose and characteristics, criteria and conditions for the implementation and values of the remuneration of the Chief Executive Officer, the Chair and the Executives with Strategic Responsibilities, distinguishing between the relevant components and specifying the related weights with regard to the different hypotheses of achievement of the target objectives in the case of variable components (minimum, target and maximum).

Provide in the remuneration policies for a variable component with a multi-year horizon, consistent with the company's strategic objectives and the pursuit of sustainable success.

Snam's remuneration policy is functional to the pursuit of corporate strategy and the creation of sustainable value in the medium and long-term. The predominance of the variable component in the mix of remuneration for the CEO, and for all roles with a greater impact on corporate results, ensures a direct link with the company's strategic objectives. In particular, the CEO and, more generally, top management, are beneficiaries of an equity incentive that measures, over a three-year period, performance related to business objectives, such as Adjusted Net Profit and Added Value, and to objectives that take into account Snam's challenges on issues related to sustainability, such as reducing gas emissions and gender diversity in management.

In companies with incentive mechanisms for the CEO and other executive directors linked to sustainability goals, provide a clear indication of the specific performance targets to be achieved.

All performance targets on which the weight of the variable components of the remuneration package depends, including the aforementioned sustainability targets, are clearly stated, along with their calculation methods, in the report on remuneration policy and remuneration paid.

Although Snam has already intervened in the areas indicated by the Corporate Governance Committee and has therefore found substantial alignment with those recommendations, it will evaluate whether to adopt additional measures useful for the continuous improvement of the Company's corporate governance.

SECTION IV: SNAM'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

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SNAM'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

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1. THE STRUCTURE OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM AND THE PARTIES INVOLVED

1.1 Introduction

The Internal Control and Risk Management System comprises all the guidelines, rules and organisational structures that enable identification, measurement, management and monitoring of key risks.

Snam has adopted and undertakes to promote and maintain an adequate Internal Control and Risk Management System (“**ICRMS**”).

The ICRMS is part of the organisational, administrative and accounting structure and, more generally, Snam’s corporate governance structure, and is based on the Corporate Governance Code to which Snam adheres, taking national and international models and best practice as a reference.

The Code of Ethics⁴⁶ sets out the guiding principles on which the ICRMS is based, such as:

- a) the separation of activities between persons responsible for authorisation, executive or control procedures;
- b) the existence of company regulations that can provide general benchmark principles for governing corporate processes and activities;
- c) the existence of formal rules for the exercise of signing authority and internal powers of authorisation; and
- d) traceability (through the adoption of information systems that can identify and reconstruct sources, information and checks carried out in support of the formation and implementation of the Company’s decisions and procedures for managing financial resources).

The ICRMS is audited and updated over time to ensure that it is always appropriate and to oversee the main areas of corporate risk. In this context, and also to execute the provisions of the Corporate Governance Code, Snam has adopted the Enterprise Risk Management Model⁴⁷.

(i) Control levels

LEVEL ONE

Identification, evaluation and monitoring of risks relating to the individual Group processes.

The Snam Group functions that ‘own’ the individual risks, and are responsible for identifying, measuring and managing them and for implementing the necessary controls within the processes within their purview, are located at this level.

LEVEL TWO

Monitoring of the main risks to ensure that they are effectively and efficiently managed and processed, and monitoring of the adequacy and functioning of the controls put in place to protect against these risks; support for Level One in defining and implementing adequate management systems for the main risks and related controls.

This level contains Group personnel (Compliance and Enterprise Risk Management) tasked with coordinating and managing the main control systems (e.g. corporate administrative liability, corporate disclosure, anti-corruption, anti-trust).

LEVEL THREE

Independent and objective verification of the operating effectiveness and adequacy of Levels One and Two and, in general, of the overall risk management methods. The Internal Audit operates on the basis of the Guidelines.

1.2 The corporate bodies, entities and functions involved

The ICRMS is an integrated system that involves the entire organisational structure: both the corporate bodies and the company structures are required to contribute to its operation, in a coordinated manner, according to the diagram set out below, to ensure that the main risks for the Company and its Subsidiaries are correctly identified and adequately measured, managed and monitored in line with the strategic objectives identified.

⁴⁶ For more information on the Code of Ethics, see Section I, Paragraph 4, of this Report.

⁴⁷ For more information on the Enterprise Risk Management Model, see Section IV, Paragraph 3.4, of this Report.

(i) *The Board of Directors***DUTIES PERFORMED WITHIN THE SCOPE OF THE ICRMS**

As part of the preparation of the Snam Group's Strategic Plan, the ICRMS defines the nature and level of risk consistent with Snam's strategic objectives – based on risk mapping carried out as part of the ERM Model – including in its assessments all risks that might be significant in terms of the medium/long-term sustainability of Snam's activity

Defines the ICRMS guidelines as part of the preparation of the Snam Group Strategic Plan

Assesses, at least once a year (following consultation with the CRRPTC), the adequacy of the ICRMS with respect to the characteristics of the Company and the Group, and the risk profile assumed

Relating to 2022, on 16 March 2022 the Board of Directors assessed, based on the preliminary activity carried out by the CRRPTC, the adequacy and effectiveness of the ICRMS

Approves, on at least an annual basis, the Audit Plan prepared by the Head of Internal Audit, following consultation with the CRRPTC and the Chair of the Board of Directors, the Director in charge of the internal control and risk management system and the Board of Statutory Auditors

The Audit Plan for 2022 was approved at the meeting of 16 March 2022

Assesses the adequacy of the ICRMS in relation to the characteristics of the company and the risk profile assumed, as well as its effectiveness

On 16 March 2022 and on 15 March 2023, the Board of Directors assessed the organisational, administrative and accounting structure appropriate to the current size and type of business of Snam and its Subsidiaries, as produced by the administrative and organisational structures headed by the Chief Executive Officer, after presentation to the CRRPTC and the Board of Statutory Auditors

For further details on the remit for resolutions of the Board of Directors, see Annex 4.

(ii) *Director in Charge*

Pursuant to the Company's governance rules, Snam's CEO performs the role of Director in Charge.

DUTIES PERFORMED WITHIN THE SCOPE OF THE ICRMS

The Director is responsible for identifying the main corporate risks, in view of the characteristics of the activities performed by Snam and the Subsidiaries, and taking them into account in the definition of the 2022-2026 Strategic Plan approved by the Board of Directors

He is responsible for planning, creating and managing the ICRMS, and checking its adequacy and effectiveness on an ongoing basis

He adjusts the ICRMS to the dynamics of the operating conditions and the legislative and regulatory framework

He has the power to request that the Head of Internal Audit perform checks on specific operational areas and on compliance with internal rules in the execution of corporate transactions, informing the Chair of the Board of Directors, the Chair of the CRRPTC and the Chair of the Board of Statutory Auditors of this request

He provides prompt information, including through his structures, to the CRRPTC on problems and issues arising during the course of his activities or of which he had been made aware

(iii) *The Control and Risk and Related-Party Transactions Committee*

The CRRPTC is responsible for making appropriate enquiries to support assessments and decisions made by the Board of Directors concerning the ICRMS, as well as those relating to the approval of financial reports.

For a more detailed description of the duties of the CRRPTC, see Annex 7 to this Report.



(iv) *Board of Statutory Auditors*

In its capacity as the Internal Control and Audit Committee pursuant to Legislative Decree No. 39 of 2010, the Board of Statutory Auditors oversees the effectiveness of the ICRMS.

For more information on the main duties performed by the Board of Statutory Auditors, see Annex 8 to this Report.

(v) *Supervisory Body and Code of Ethics Supervisor*

The Supervisory Body currently comprises three members external to the Company and the Group, one of whom acts as Chair, who are experts in legal and corporate matters, economics and corporate organisation. The presence of only external members is also intended to ensure adequate separation of duties and also to ensure that persons with specific areas of expertise are present within the Supervisory Body, so that the tasks assigned to such body can be performed effectively.

At its meeting of 9 November 2022, the Board of Directors appointed the new members of the Supervisory Body and Code of Ethics Supervisor, as described in the table below.

Member	Position
Giovanni Maria Garegnani	External member (Chair)
Federica Rinaldini	External member
Greta Nasi	External member

The Supervisory Body:

- (i) oversees the effectiveness of the 231 Model and monitors how it is implemented and updated;
- (ii) examines the 231 Model’s adequacy in terms of preventing unlawful conducts;
- (iii) manages, within its competence, the relevant information flows with the various corporate functions and the Supervisory Bodies of the Subsidiaries; and
- (iv) acts as the Code of Ethics Supervisor.

The Supervisory Body has unlimited access to corporate information necessary for investigation, analysis and control activities. Any corporate department, employee and/or member of corporate bodies is subject to a

disclosure obligation of all the information relevant to the performance of the activities falling within the remit of the Supervisory Body, in the event of any request by the Supervisory Body, as well as in case of the occurrence of specific events or circumstances.

If any critical aspects arise in execution of its assigned tasks, the Supervisory Body notifies the outcome of its activities, according to the methods and time-scales described in greater detail in Paragraph 1.3, letter A) of this Section.

In 2022, the Supervisory Body met 11 times, with the 100% attendance of its member.

(vi) *Financial Reporting Officer*

The Financial Reporting Officer prepares appropriate administrative and accounting procedures for the drafting of the individual financial statements and, where applicable, the consolidated financial statements, as well as all other financial communications

The Board of Directors of 27 March 2020 appointed (effective from 1 April 2020) Mr Luca Oglialoro as “Financial Reporting Officer” pursuant to Article 154-bis of Consolidated Financial Act.

The Financial Reporting Officer is selected from personnel who are not members of the administrative or control bodies or holders of senior management positions at Eni S.p.A. and its subsidiaries, and who do not have any direct or indirect professional or financial relationship with said companies⁴⁸.

The Board of Directors annually verifies:

- that based on the declaration made by the Financial Reporting Officer, there are no grounds for the latter’s incompatibility pursuant to the Articles of Association and that the Financial Reporting Officer meets the integrity requirements established under the applicable law;
- the adequacy of the powers and means available to the Financial Reporting Officer pursuant to the applicable law for the fulfilment of the duties assigned, as well as a half-yearly check on compliance with existing administrative and accounting procedures.

⁴⁸ In accordance with the DPCM 25 May 2012, as amended by the DPCM 15 November 2019. Pursuant to Article 16 of the Articles of Association, the Financial Reporting Officer must have spent at least three years performing one of the following activities:
 a) administration, control or management activities in a company listed on regulated markets in Italy, other EU Member States or other OECD countries with share capital of no less than 2 million euro;
 b) external audit activities in the companies mentioned under point a) above;
 c) professional or university teaching in finance or accounting;
 d) managerial functions in public or private entities with financial, accounting or control responsibilities.

These checks were carried out, with regard to 2022, respectively on 16 March 2022 and on 27 July 2022.

(vii) *Head of Internal Audit*

The Internal Audit function is centralised in Snam. Its scope of operation covers Snam itself, the Subsidiaries within the meaning of Article 93 of TUF, and joint ventures/equity investments held jointly with other partners in accordance with the express provisions contained in agreements between the parties.

The role, duties and responsibilities of Internal Audit are defined and formalised by the Board of Directors in the "Internal Audit Guidelines" ("Guidelines").

Snam's Board of Directors, on the recommendation of the Chair, having received the approval of the CRRPTC and following consultation with the Director in Charge the Board of Statutory Auditors, appoints the Head of Internal Audit for an indefinite term and may revoke this appointment at any time. The Board of Directors evaluates, at least once during the term of office determined by the Shareholders' Meeting, the reappointment of the Head of Internal Audit, also according to rotation criteria, and, where appropriate, proposes revocation following consultation with the Board of Statutory Auditors.

The Head of Internal Audit carries out auditing activities entirely independently, in accordance with instructions from the Board of Directors, is neither responsible nor has authority over the processes under control and has direct access to all information useful for carrying out his duties. Since 14 May 2019, following a resolution of Snam's Board of Directors, the Chair of the Board of Directors, on behalf of the Board of Directors, coordinated and ordered the Head of Internal Audit to perform the activities falling within the purview of the Internal Audit function, which reports to the Board of Directors. Furthermore, Snam's Board of Statutory Auditors and the CRRPTC receive and periodically collect from Internal Audit significant information on the controls performed and any weaknesses, problems or anomalies encountered.

Internal Audit activities are performed while maintaining the necessary independence and autonomy, and due objectivity, competence and professional diligence, as provided in the Internal Audit mission statement and in the mandatory guidance of the Institute of Internal Auditors⁴⁹, and in compliance with the principles laid down in the Code of Ethics⁵⁰.

As part of the process of approving the Audit Plan, once per year the Board of Directors approves the budget required for the Internal Audit function to fulfil its duties. The Internal Audit Guidelines provide that the Head of Internal Audit shall have autonomous powers of expenditure to carry out the activities of ascertaining, analysing and assessing the internal control and risk management system and/or the activities related thereto. The Head of Internal Audit, in the event of exceptional and urgent situations requiring the availability of resources in excess of the budget, may propose the approval of an extra Internal Audit budget for the performance of his/her duties, subject to the approval of the CRRPTC.

The Director in Charge of the internal control and risk management system has the power to request that the Head of Internal Audit perform checks on specific operational areas and on compliance with internal rules and procedures in the execution of corporate transactions, informing the Chair of the Board of Directors, the Chair of the CRRPTC and the Chair of the Board of Statutory Auditors of said request.

The structure of the fixed and variable remuneration of the Head of Internal Audit is approved by the Board of Directors, in line with corporate policies and following the verification of the ACC and following consultation with the Board of Statutory Auditors and the CRRPTC.

On 18 March 2020, Snam's Board of Directors⁵¹, following consultation with the CRRPTC and the Board of Statutory Auditors, on the recommendation of the Director in charge of the internal control and risk management system and with the agreement of the Chair of the Board of Administration appointed Mr Franco Pruzzi with effect from 1 April 2020 as the new Head of Internal Audit.

⁴⁹ The International standards for the professional practice of Internal Audit are available at the following address: http://www.unesco.org/new/fileadmin/MULTIMEDIA/HQ/IOS/temp/IPPF_Standards%20ENG.pdf.

⁵⁰ In this regard, see Section IV, Paragraph 1, of the present Report.

⁵¹ In accordance with the Guidelines, the candidate's profile and the necessary requirements of integrity, professionalism, competence, autonomy and experience are assessed, as well as any grounds for incompatibility, including in terms of conflict of interests, with previous activities or positions held at the Company and/or its Subsidiaries. The CRRPTC verifies annually the maintenance of these characteristics.

DUTIES PERFORMED WITHIN THE SCOPE OF THE ICRMS

Verifies the functioning and suitability of the ICRMS via an Audit Plan, approved by the Board of Directors, and monitors the implementation of identified corrective actions.

Ensures the processing of reports, including anonymous ones, transmitted by the Ombudsman.

Activates other audits actions not foreseen in the Audit Plan (so-called spot audits), on the basis of requests also coming from the administration and control bodies and management or as a consequence of reports received.

Carries out independent monitoring activities required by the Company's Corporate Reporting Control System.

Transmits audit reports and periodic reports on alerts, follow-ups and independent monitoring to the administrative and control bodies and management, as far as within their competence.

Produces periodic reports containing an assessment of the suitability of the ICRMS, and forwards them to the Chair of the Board of Statutory Auditors, the Chair of the CRRPTC, the Chair of the Board of Directors and the Director in Charge

Main activities carried out in 2022

In 2022, the Internal Audit function performed its scheduled activities as expected. Specifically, these consisted of:

- (i) drawing up the draft Audit Plan based on an identification and prioritisation of the main risks facing the Company by the ERM unit;
- (ii) executing the Audit Plan, comprising 17 actions, approved by Snam's Board of Directors on 16 March 2022 following the prior favorable opinion of the CRRPTC;
- (iii) performing two additional audits not included in the schedule (i.e. spot audits) and an advisory intervention required by management;
- (iv) notifications, anonymous or otherwise, of problems relating to the internal control and risk management system, to the administrative liability of the Company, to irregularities or to fraud (whistleblowing);
- (v) monitoring (follow up) the corrective actions as a result of the findings of the audit and the management of reports;
- (vi) performing the independent monitoring plan drawn up with the Financial Reporting Officer as part of Snam's Corporate Reporting Control System;
- (vii) the relevant activities pertaining to relations with the External Auditors.
- (viii) *Functions with specific control tasks*

The ICRMS clearly positions the corporate functions within the three levels of internal control.

In line with an evolutionary process designed to constantly improve the efficiency and effectiveness of the ICRMS and its enhanced integration, in addition to the functions described above, the following organisational structures play an important and coordinated role in identifying, measuring and monitoring risks associated with management of the Company's business through

continuous information flows, as part of their own operational responsibilities.

Specifically:

- the Legal Function, through the Compliance, Business Integrity & ERM structure: (i) ensures the dissemination and promotion of a culture of compliance and the simplification/rationalisation of models for compliance and the system of related rules and procedures, quantifying the real risk in the specific areas in line with best practice and monitoring their application; (ii) provides the necessary legal advice and assistance on compliance to the business units; (iii) follows Italian and foreign regulatory and case law developments (regulatory oversight), monitoring and analysing possible impacts on Snam's business and supporting Snam's business units in the application of regulations; (iv) is responsible for updating the internal control and risk management system and the 231 Model with privacy and data protection themes; (v) is responsible for the design, proposal and definition of the compliance programme for the prevention of offences and monitors regulatory developments and best practices; (vi) disseminates and promotes a business ethics culture and supervises the updating of Snam's Code of Ethics; (vii) carries out the function of anti-corruption legal, presiding the anti-corruption compliance programme and its possible update and overseeing the implementation of compliance safeguards in corporate regulatory tools; (viii) manages relations with international institutions and bodies such as Transparency International – Italian Chapter, the OECD, the Ministry of Foreign Affairs and International Cooperation and the B20 Presidency;
- the Administration, Budget, Planning and Control Function, through the Internal Control System structure on Corporate Reporting in support of the Executive in Charge: (i) defines the Corporate Reporting Control System model, the relevant methodologies, operating methods and tools; (ii) guarantees the related risk assessment activities; (iii) ensures the management of information flows, control assessments and reporting, and preparing reports and information on the state of the system for the Chief Executive Officer, the Financial Reporting

Officer, the control bodies, Internal Audit and the External Auditors; and (iv) provides methodological and operational support to the functions involved in implementing the CRCS.

1.3 Coordination between the parties involved in the ICRMS

The corporate procedures adopted by Snam in the context of its ICRMS and its corporate reporting control system (“**CRCS**”) ensure adequate coordination of all parties involved.

In particular, the information flows that ensure coordination between the parties involved in the ICRMS and the Board of Directors is ensured by:

- (i) the review by the Board of Directors of the opinions and reports prepared by persons involved in the ICRMS;
- (ii) the information provided to the Board of Directors and the Board of Statutory Auditors by the Chair of the CRRPTC and the presence of the Board of Statutory Auditors at meetings of the Board of Directors; and
- (iii) participation at the meetings of the Board of Directors and CRRPTC, for matters within their respective remits, of the managers of the control functions and the Financial Reporting Officer.

A) Information flows within the scope of the ICRMS

The CRRPTC and the Board of Statutory Auditors of Snam - periodically or where particular requirements exist - receive information flows from Internal Audit, the Company's other control functions (i.e. Enterprise Risk Management and Compliance), the Supervisory Body, the External Auditors and the Financial Reporting Officer. When the information is obtained, they meet to assess the results.

In particular, the CRRPTC and the Board of Statutory Auditors receive from the Financial Reporting Officer a half-year report and an annual report on the assessment of the CRCS and on compliance with the administrative and accounting procedures and an annual report on the organisational, administrative and accounting structure of the Snam Group.

In addition, the Board of Statutory Auditors of Snam, in its capacity as “Internal Control and Audit Committee” pursuant to Legislative Decree No. 39/2010, receives from

the Auditing Company the information flows necessary to carry out its duties as provided for by the applicable pro tempore regulations.

In addition, and at the same time as the other company bodies, the Chief Executive Officer, as the Director in charge of the internal control and risk management system, receives from the Financial Reporting Officer and from the Head of Internal Audit periodic information flows or information on events of particular importance; in turn, he/she reports promptly to the CRRPTC and/or to the Board of Directors, at the next convenient meeting, on issues and problems relating to the ICRMS.

In addition, provision is made for information flows from management to the Supervisory Body and information flows (continuous, half-yearly or immediate in the case of particular situations and/or requirements) from the Supervisory Body to the Company's senior management (CEO, CRRPTC, Board of Statutory Auditors).

The Financial Reporting Officer, following consultation with the External Auditors and the Board of Statutory Auditors, assesses, with the CRRPTC, the correct application of the accounting standards and their homogeneity for the purposes of the consolidated financial statements. In view of the specific duties assigned to the Financial Reporting Officer as part of the CRCS, the CFO receives information flows from other persons, bodies and functions within the Company and the Subsidiaries.

The Internal Audit Function receives and provides information on the ICRMS, pursuant to the Internal Audit Guidelines.

Specifically:

- it obtains information and assessments from the Boards of Directors, Boards of Statutory Auditors and Supervisory Bodies of Snam and the Subsidiaries, for the purposes of formulating the proposed Audit Plan for subsequent approval by the Board of Directors;
- it sends Internal Audit reports on every audit intervention performed to the Chair of the Board of Directors, the Director in charge of the internal control and risk management system, the top management of the audited structures, the CRRPTC, the Board of Statutory Auditors, and, for matters within their competence, the Supervisory Body and the Financial Reporting Officer⁵²;

⁵² In the event that the detected findings highlight suspected misconduct by Snam personnel or third parties, including among others suppliers, the Head of Internal Audit also forwards the audit report to the EVP Human Resources, Organization & PFM and the General Counsel, to the extent of their respective responsibilities.

- if the results show alleged unlawful conduct on the part of Snam’s staff or third parties, including – among others – suppliers, the Head of Internal Audit also forwards the audit report to the EVP Human Resources, Organisation & PFM and the General Counsel, for matters within their respective purviews;
- it provides a systematic, periodical quarterly information flow to the supervisory bodies of Snam and the Subsidiaries with summary assessments of audits carried out and the state of implementation of the corrective actions;
- it drafts a six-monthly report containing adequate information on its own activities and on the company’s risk management process, and on compliance with plans for risk mitigation; in particular, this report contains the assessment of the suitability of the internal control and risk management system;
- with specific regard to the CRCS, notifies the managers of the functions involved of the results of the independent monitoring activity performed;
- fulfils the disclosure obligations provided in the “Guidelines for notifications, including anonymous notifications” and, in particular, prepares a quarterly report on notifications, shared by the Ombudsman, which is sent by the Head of Internal Audit to the Supervisory Body, and for information to the Chair of the Board of Directors, the Director in charge of the internal control and risk management system, the Board of Statutory Auditors, the CRRPTC, the External Auditors, the General Counsel, the CFO, the Financial Reporting Officer and, the EVP Human Resources, Organisation & PFM. With reference to notifications relating to the Subsidiaries, the reports, insofar as they are relevant, are sent to the Chief Executive Officers of each Subsidiary concerned, as well as to the related Control and Supervisory Bodies.

The Enterprise Risk Management structure: (i) shares with the Risk Specialist and Risk Owners the reporting on risks mapped in their own areas through the Risk Assurance and Integrated Compliance IT platform; (ii) submits to the Chief Executive Officer, the Financial Reporting Officer, the General Counsel and the SVP Internal Audit periodic reports on the updating of critical and high risks and annual reports, also to the Board of Directors, on the updating of all

corporate risks; and (iii) presents and submits, on a quarterly basis, the performance of the activities performed, the results thereof and the related management plans to the CRRPTC, the Board of Statutory Auditors and the Supervisory Body, so as to permit an assessment of the effectiveness of the ICRMS.

Lastly, the Legal Function reports periodically to the CRRPTC, the Board of Statutory Auditors and the Supervisory Body on compliance issues regarding inter alia any critical issues and/or possible indications of improvement and on the status of the Company’s legal dispute; in this context, a report is also sent on the verification, training, assessment and monitoring activities required by the anti-corruption policy.

B) Information flows between the boards of statutory auditors of the Snam Group

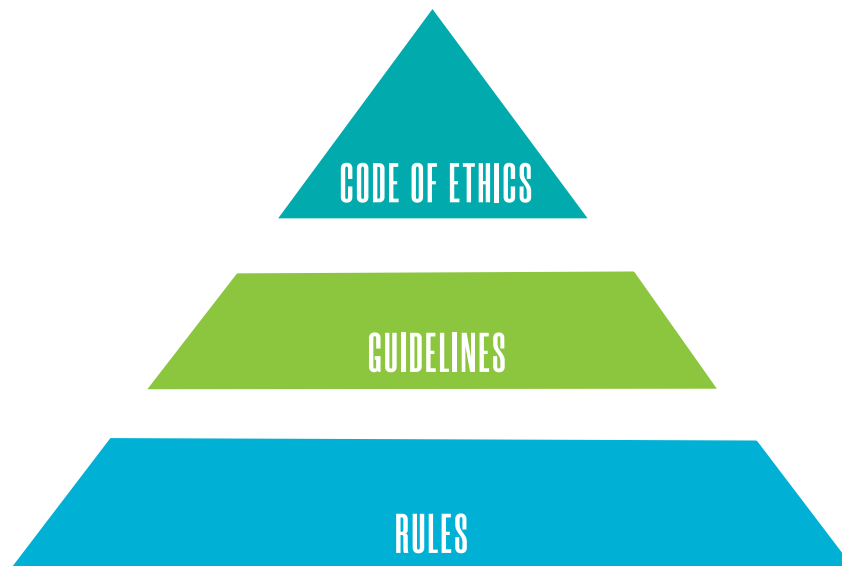
In order for Snam’s Board of Statutory Auditors to fulfil its supervisory and control obligations with respect to the Snam Group, including with regard to the direction and coordination of Snam’s Subsidiaries, Snam’s Board of Statutory Auditors receives, from the boards of statutory auditors of the Subsidiaries, information flows:

- (i) in the context of joint meetings between the boards of statutory auditors of the Snam Group;
- (ii) through the transmission of periodic reports or in the presence of particular circumstances;
- (iii) through the transmission of information at the request of Snam’s Board of Statutory Auditors or on the independent initiative of the boards of statutory auditors of the Subsidiaries.

In particular, Snam’s Board of Statutory Auditors receives a half-year report on the supervisory activity performed by the boards of statutory auditors of its Subsidiaries.

Snam’s Board of Statutory Auditors, on the basis of all reports received from the corporate control bodies, business control structures and all control entities and functions, promptly informs the Board of Directors if it detects any weaknesses, critical issues or anomalies in the ICRMS, so that the Board of Directors can take any measures it deems necessary or appropriate.

2. SNAM'S LEGAL FRAMEWORK



The Legal Framework has a pyramid structure that is divided into three hierarchical levels, corresponding to different types of regulatory instruments, as described below:

(i) Code of Ethics: (1st regulatory level): defines the values, principles of conduct and guiding principles on which the entire ICRMS that Snam recognises, accepts, shares and assumes internally and externally is based;

(ii) Anti-Corruption Policy and Guidelines (2nd regulatory level): the former represents the concrete assumption of leadership and commitment in relation to the management system for the prevention of corruption, the latter define the set of principles and conduct that every employee of Snam is required to follow. The Guidelines also define all the procedures and tools of the ICRMS;

(iii) Rules (3rd regulatory level): define the process flow, the accountability matrix, the task list and the process level controls matrix.

Moreover, certified management system documents (in accordance with ISO standards) on Health, Safety, Environment and Quality (Policies, Manuals, Procedures and Operating Instructions) are also an integral part of the Legal Framework. Lastly, there are circulars or regulations to govern specific issues (sometimes with temporary validity).

Snam's Legal Framework is designed to:

- (i) monitor and support the effectiveness of the ICRMS; and
- (ii) govern certain aspects of the direction and coordination exercised by Snam over the Subsidiaries, to whose respective boards of directors the regulatory instruments adopted by Snam are sent periodically for information purposes.

The Guidelines described in the present Report have been approved by Snam's Board of Directors.

3. COMPLIANCE AT SNAM

Compliance helps to maximise Snam’s value and to ensure the correct pursuit of corporate objectives.

The ICRMS forms an integral part of Snam’s strategy and governance. In particular, compliance fosters business development in terms of business results and competitive advantage.

A compliance culture is an ethical value to be promoted and shared with all stakeholders (internal and external) and is an investment in corporate efficiency. The main objective of compliance activities is the prevention of actions that do not comply with laws, applicable regulations, any measures imposed by public authorities and self-regulatory provisions.

The compliance function is tasked with defining tools, in line with best practice⁵³, to prevent offences being committed within organisations, to ensure that the control and governance safeguards as a whole play a role in protecting lawfulness.

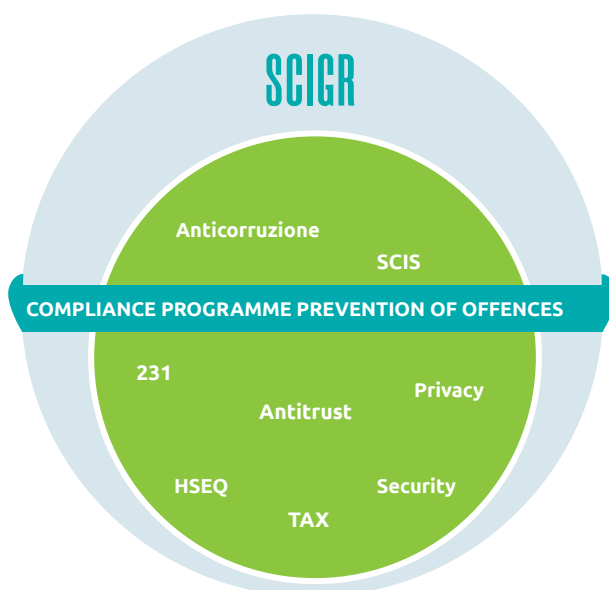
Snam has established structures and tools to identify, analyse and manage legal and non-compliance risk. Specifically, the manifestation of this risk is highlighted within the context of the Enterprise Risk Management system and the

safeguards for its management are highlighted within the context of Snam’s Legal Framework.

3.1 Compliance Programme for the Prevention of Offences

Snam’s compliance activity is an integral part of the ICRMS, which is based on an integrated control model divided into three levels, as described in Paragraph 1.1 of this Section, which identifies the tasks of each body and function involved, and practical procedures for coordination between these bodies and functions⁵⁴.

The Compliance Programme for the Prevention of Offences (the “CPPO”) was defined in this context. This programme includes the second-level control models (ERM, 231, CRCS, Tax Control Framework, Privacy, Non-Financial Statement (NFS); Antitrust, Anti-Corruption, HSEQ and Security). Although these models each retain their specific methodologies, they belong to a single integrated system of risks and controls, as tools to implement the programme in line with the relevant leading practices and in full compliance with the Code of Ethics, which sets out the values, principles of conduct and main guidelines that form the basis of the entire ICRMS, which Snam recognises, accepts, shares and assumes both internally and externally⁵⁵.



⁵³ See “Prevenzione e governo del rischio di reato: la disciplina 231/2001 e le politiche di contrasto dell’illegalità nell’attività di impresa” [Prevention and governance of the risk of crime: the 231/2001 regulations and policies for combating illegality in business activities] - Assonime – Note e Studi 05/2019.
⁵⁴ In this context, compliance is a second-level control activity that, inter alia, ensures that specific compliance programmes are defined and updated, monitoring their application, and analyses and verifies the compliance-related aspects of Snam’s Legal Framework so that it can operate in accordance with the applicable rules, whether imposed externally or by the company itself. The individual operational and commercial business units and functions, within the scope of their respective processes, are responsible for the application of these programmes and tools and for managing the associated risks.
⁵⁵ As specified in paragraph 3.2 below, the CPPO was defined within the “Risk Assurance & Integrated Compliance” Guidelines, approved by Snam’s Board of Directors on 11 December 2018.

In the context of the CPPO, compliance activities are overseen by various areas which input information into and oversee the ICRMS in order to establish innovative and synergistic integrated risk management and related control measures that precisely define the Risk Assurance & Integrated Compliance model (“**RAIC**”). The CPPO has been defined, from a preventative standpoint, working on robust risk assessment processes under the context of applicable standards, and from a detection, standpoint, through a structured activity of monitoring and testing control safeguards that can highlight deficiencies or possible infringements and indicate the consequent remedial actions. Lastly, the results of these activities are notified, through appropriate reports, to senior management and the corporate bodies.

3.2 The Risk Assurance & Integrated Compliance Model

The RAIC model, referred to in the “Risk Assurance & Integrated Compliance” Guidelines approved by Snam’s Board of Directors on 11 December 2018, has a dual purpose:

- to integrate, within the SCIGR, the control models of the so-called 2nd level such as Enterprise Risk Management⁵⁶ 231 Model, CRCS, Tax Control Framework (“**TCF**”), Privacy, Non-Financial Statement (“**NFS**”), Antitrust, Anticorruption, Health, Safety, Environment & Quality (“**HSEQ**”)⁵⁷ and Security⁵⁸;
- to promote and support compliance with the reference legislation and the prevention of any offences during the conduct of business, through the adoption and effective implementation of the CPPO.

3.3 The 231 Model

The 231 Model is an organic set of principles, rules and provisions concerning, inter alia, the management and control of each corporate process. Its aim is to protect the Company from any conduct that may entail its administrative liability, pursuant to Legislative Decree No. 231 of 2001, in relation to offences or attempted offences committed in the interest or to the advantage of the Company by persons holding a “senior” position within the entity or by those who are subject to the oversight and control of such persons.

The Board of Directors adopted a 231 Model in order to prevent the offences indicated in the legislation on corporate administrative liability for crimes committed in the interest or to the advantage of the company and has set up a Supervisory Body vested with autonomous powers of initiative and control, in compliance with the applicable law.

The analysis of corporate processes and the comparative analysis of the existing control environment and the oversight measures are carried out on the basis of the COSO Framework, which is the international benchmark model for the establishment, updating, analysis and assessment of internal control systems (the “**COSO Framework**”, published most recently in May 2013⁵⁹).

The Subsidiaries have also adopted their own 231 Models for their specific circumstances, appointing their own supervisory bodies to monitor the implementation and effective application of the model.

⁵⁶ The ERM model, the risk assessment methods and the roles and responsibilities of the persons involved are described in the ERM Guidelines approved by Snam’s Board of Directors.

⁵⁷ The HSEQ model comprises two modules: Workplace Health and Safety and Environment.

⁵⁸ The Security model comprises the following modules: Data Classification; Scope of Certifications; Security Assessment; Business Continuity.

⁵⁹ The document “Internal Control - Integrated Framework”, published by the Committee of Sponsoring Organizations of the Treadway Commission (<http://www.coso.org>).

In accordance with the provisions of Chapter 7, paragraph 7.2 of the 231 Model, the implementation of the so-called “Transposition Programme” is guaranteed in case of (a) new legislation with reference to the regulation of the administrative liability of legal entities deriving from criminal offences, (b) periodic revision of the 231 Model also as regards significant changes in organizational structure or company’s business sectors, (c) significant violations of the 231 Model and/or the results of checks on its effectiveness or public domain experience in the sector.

In 2022, the impacts on the individual structures of 231 Models (including the related existing safeguards of control) determined by the following normative changes Legislative Decree no. 184 of 2021⁶⁰, Legislative Decree no. 195 of 2021⁶¹, European Law no. 238 of 2021⁶², Legislative Decree no. 13 of 2022⁶³, Law no. 22 of 2022⁶⁴ were examined.

Therefore, in 2022 the Special Section documents entitled “Processes, Sensitive Activities and Specific Control Standards of 231 Model” of Snam and its subsidiaries were updated to incorporate both the aforementioned regulatory changes and the organisational changes occurred.

In particular, the update concerned the new categories of crime introduced and, as regards subsidiaries, the introduction of a new risk relating to the figure of “secondary insider”. Otherwise, the organisational changes that occurred did not have an impact on the structure of 231 Models, since there were no structural or process changes.

In 2022, Snam continued to provide for a compliance training course aimed at the entire company population.

In particular, from May until September, compliance training sessions were provided in synchronous distance learning mode, involving the entire population of executives and managers of Snam and Group companies, with the aim - in addition to a general “refresh” on content - of reaching the entire corporate population also through an internal cascading process between teams. The topics covered in the training sessions were the 231 Model, Privacy, Anticorruption and Antitrust.

The 231 Model is available on the Company’s website

(<https://www.snam.it/export/sites/snam-rp/repository/file/Governance/modello231/Modello-231-Snam-S.p.A..pdf>)

3.4 Enterprise Risk Management Model

The Enterprise Risk Management Model (“**ERM Model**”) provides appropriate tools for identifying, measuring, managing and monitoring the key risks that could impact the achievement of strategic objectives

Snam’s ERM Model, in line with the reference models and existing international best practices (COSO Framework and ISO 31000), provides for an integrated, cross-functional and dynamic assessment of risk that evaluates existing management systems in individual corporate processes and is updated to ensure that it always acts as an effective risk management model. It also provides for ongoing training of all personnel involved.

⁶⁰ “Implementation of Directive (EU) 2019/713 on combating fraud and counterfeiting of non-cash means of payment and replacing Council Framework Decision 2001/413/JHA”, which broadened the list of offences with the introduction of Article 25-octies.1 (“Offences relating to non-cash means of payment”).

⁶¹ Implementation of Directive (EU) 2018/1673 on combating money laundering through criminal law. In particular, culpable and administrative offences were included as conditional offences under Art. 648 ff. of the Criminal Code.

⁶² Law No. 238/2021 amended certain existing provisions of the Criminal Code (also qualified as conditional offences pursuant to Legislative Decree No. 231/01) in order to bring their contents into line with European law. In particular, Article 184 of the TUF (“Illegitimate use or unlawful disclosure of inside information. Recommending that another person engage in or inducing another person to engage in illegitimate use of inside information”), providing for a criminal sanction also for the so-called secondary insider.

⁶³ Decree Law 13/2022, setting forth “Urgent measures to combat fraud and for safety in the workplace in the construction industry, as well as on electricity produced by plants from renewable sources”, has intervened on a number of conditional offences pursuant to Legislative Decree no. 231/01: Article 316-bis of the Criminal Code (“embezzlement of public funds”), Article 316-ter of the Criminal Code (“undue receipt of public funds”), Article 640-bis of the Criminal Code (“aggravated fraud for the obtainment of public funds”).

⁶⁴ Law No. 22 of 2022 introduced into the Criminal Code the new Title VIII-bis “Crimes against cultural heritage” (Articles 518-bis to 518-undevicies). Some of the new criminal offences have become part of the catalogue of conditional offences under Legislative Decree no. 231/01 (Articles 25-septiesdecies and 25-duodecies).

The objective of the system is to pinpoint and manage the main elements of risk (or opportunity) that might affect the pursuit of corporate objectives.

Risk is indeed defined as the effect of uncertainty on objectives and may be negative or positive (opportunity).

Each event is assessed, through appropriate metrics, on the probability and on the basis of ten types of impact, some of them determined by the risk owners/specialists (operating impacts: Economic/Financial, Industrial/Business, Asset) other by special functions (impact: Legal/Compliance, Environment, Social, Governance, Health Safety, Reputational, Market).

In particular, the assessment of ESG impacts (together with the Health Safety impact) allows the incorporation of ESG aspects in the assessment of risks and opportunities. Through the application of corresponding metrics, each event in the ERM portfolio is indeed assessed and classified according to a precise ESG logic able to distinguish the nature and magnitude of potential impacts in the three fields considered.

In particular:

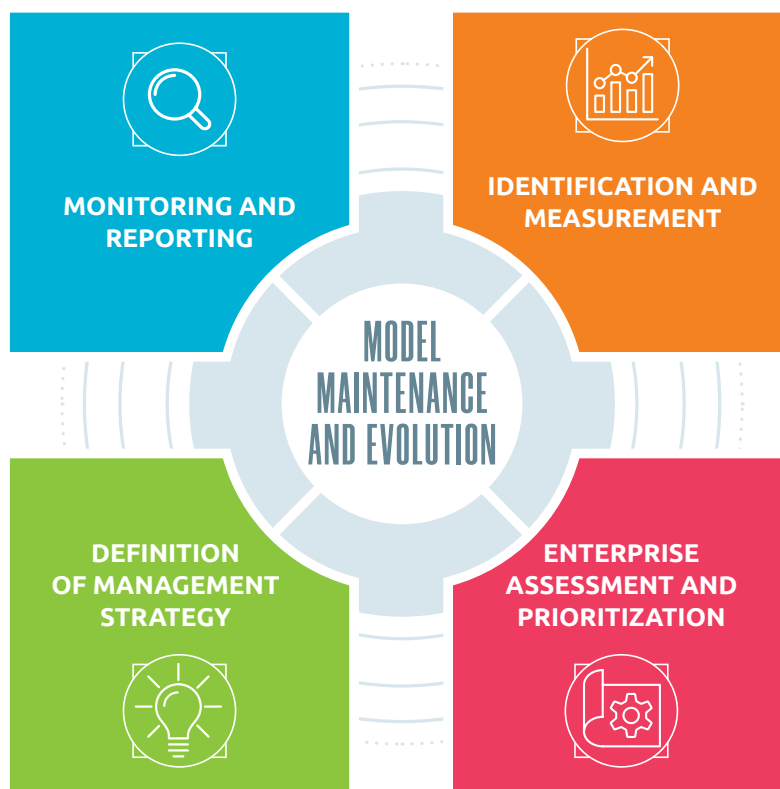
- with the “Environment” metric the environmental and climate change impacts are considered;

- with the “Social” metric possible impacts on human and workers’ rights, as well as on local communities, are considered;
- with the “Governance” metric possible consequences on governance capacity, on the pursuit of sustainable success and on the corporate behaviour (e.g. Business Ethics, Anti-corruption, Tax Transparency) are identified.

Management strategies are identified for all risks, as well as any specific interventions and a time frame for their implementation.

The main business risks identified and monitored are classified as financial, operating, legal and compliance and strategic, and also the risks and opportunities related to ESG issues are identified (so called risks and opportunities)⁶⁵.

Risk mapping is reviewed periodically, depending on their priority. Periodic reporting ensures that the information on risk management and monitoring activities is available and represented across the different levels of the Company. The graphic below illustrates the various operational phases of the ERM Model.



⁶⁵ In line with the recommendations of CoSo WBSCD and TCFD, the definition of ESG-related risks/opportunities within the ERM Model is applied completely across the portfolio of risks and opportunities; the linkage to ESG factors is therefore not reserved for a specific category created to this purpose, but is expressed horizontally to all categories through a characterization of individual events linked to the enhancement of impacts in the Environmental and/or Social and/or Governance and/or HS field.

3.5 Risk Appetite Framework

During the third quarter of 2022, Snam initiated a project to equip itself with a group Risk Appetite Framework (hereinafter also “**RAF**”). The project is part of the ongoing evolution of Snam’s risk management to refine its capabilities to identify and treat risks that could affect the achievement of corporate objectives.

Starting from the logic that the company cannot achieve a return without risk-taking, the Risk Appetite Framework is a tool that allows to:

- make explicit the group’s risk appetite by defining the level of risk it is willing to accept in pursuing of the company’s objectives (“risk-return profile”);
- support the making of choices consistent with the risk appetite validated by Top Management;
- facilitate escalation to top management in the event of risk taking beyond defined limits;
- integrate the Enterprise Risk Management model by strengthening its ability to contribute to decision-making processes;
- strengthening the risk culture.

For the implementation of the Risk Appetite Framework, there is a first set-up phase and a so-called “first running” (and confirmation) phase to be carried out and completed during 2023.

(i) *Enterprise Risk Management Guidelines*



Highlights of the ERM Guidelines

Risk management methodology and process in line with international best practices and in particular with the COSO framework and ISO 31000 reference models.

Periodic reporting to the Board of Directors, the CRRPTC, the Board of Statutory Auditors and the Supervisory Body.

The ERM Guidelines, in particular, describe the methodology for assessing the risks, roles/responsibilities and reporting activities envisaged by the ERM Model.

The Enterprise Risk Management Guidelines are available on the Company’s website (http://www.snam.it/export/sites/snam-rp/repository/file/Sostenibilita/documenti_sostenibilita/Linea-Guida-Enterprise-Risk-Management.pdf).

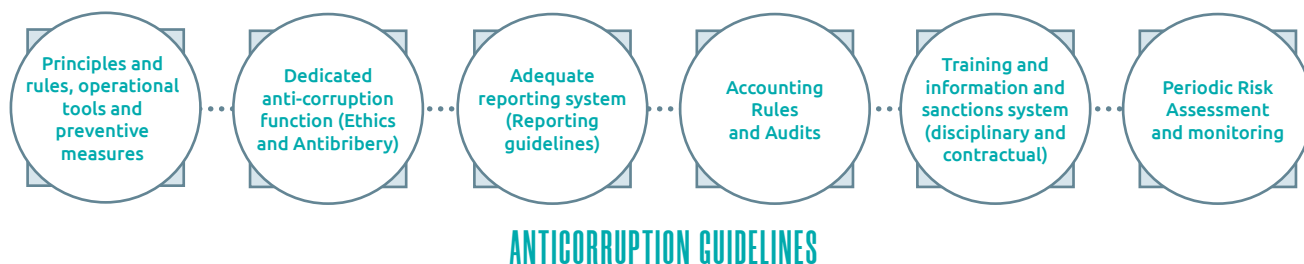
3.6 Anti-Corruption Compliance Programme

Snam, in establishing and maintaining an Anti-Corruption Compliance Programme, is not limited to adopting a 231 Model (aimed at preventing the predicate offences of administrative liability for corporate crime, including corruption offences) but, in accordance with international guidance and best practice, has also implemented the following tools⁶⁶:

- “Top level commitment”, i.e. a commitment at the highest level to fight corruption;
- adoption of the Anti-Corruption Policy, drafted in accordance with UNI ISO 37001:2016 of Certification of Anti-Bribery Management Systems;
- Establishment of the Anti-Corruption Committee with a collegial structure consisting of: EVP Human Resources, Organization & PFM, General Counsel and SVP Internal Audit, as Compliance Function for the prevention of Corruption in accordance with ISO 37001:2016 (FCA) that it relies on the operational support of the Compliance & Business Integrity function to which is already assigned the role of anti-corruption function to preside over Snam’s Anti-Corruption Compliance Programme;
- periodic risk assessment;
- the adoption of specific anti-corruption measures and monitoring the proper application of the same;
- anti-corruption due diligence on contractual/commercial counterparties;
- training and information activities;

⁶⁶ In this regard, the Code of Ethics establishes, inter alia, that Snam rejects all kinds of corruption (in all its forms with regard to any public or private entity) and that corrupt practices, unlawful favours, collusive behaviour, and requests, made directly and/or through third parties, for personal and career advantages for oneself or for others, are prohibited without exception.

TOP-LEVEL COMMITMENT



Multilateral collaborations

- Snam is a member of the UN Global Forum and, as part of the Sustainable Development Goal No. 16 on Peace, justice and strong institutions, has strengthened its collaborations and partnerships with national and international organisations and institutions;
- Since 2016 Snam has been a partner of the General Secretariat of Transparency International and, thanks to its active role within the Business Integrity Forum of the Italian Chapter. Under the partnership, Snam was one of the main players in the revision/update of the Charter of Ethical Principles of Transparency International Italia, presented in September 2022.
- Starting in 2017 Snam - as the first Italian company in the private sector - joined the Business and Industry Advisory Committee (BIAC), now renamed "Business at OECD" and, in 2019, joined the Leadership of the Anti-Corruption Committee, with the appointment of Vice-Chair. In this context in 2022 Snam was one of the main promoters of the proposed adoption of the 18th Sustainable Development Goal ("Zero Corruption").



Highlights of the Anti-Corruption Compliance Programme

- A Zero tolerance policy towards any form of corruption.
- Anti-Corruption Policy relevant internal regulation for all Snam group companies, together with the Code of Ethics and the current Anti-Corruption Guidelines
- Anti-Corruption Committee
- Compliance & Business Integrity function entrusted with the role of the anti-corruption function to preside over the Anti-Corruption Compliance Programme
- Specific regulations and controls in relation to activities identified as potentially "at risk" and to activities relating to the effective implementation of anti-corruption compliance
- A particular focus on relationships with government officials, suppliers and subcontractors, and in general, all business associates
- Annual monitoring with the involvement of management and specific training conducted annually to all personnel at risk of corruption

Snam has adopted and effectively implemented a Management System for the Prevention of Corruption, represented in Snam's "Anti-Corruption Compliance Programme", the pillars of which consist of the Code of Ethics, the Anti-Corruption Guidelines, the Organisation, Management and Control Model adopted pursuant to Legislative Decree no. 231/2001 ("231 Model"), the Compliance Programme for the Prevention of Offences and the Risk Assurance & Integrated Compliance model.

The Anti-Corruption Guidelines apply to Snam and its Subsidiaries, and the investee companies are also made aware of them, in order to promote conduct and information flows that are consistent with those of Snam. Snam also uses its influence, to the extent that is reasonable according to circumstances, to ensure that the companies and entities in which Snam has a non-controlling stake and its business associates comply with the standards set forth in the Anti-Corruption Guidelines.

The Anti-Corruption Guidelines are available on the Company's website

(https://www.snam.it/export/sites/snam-rp/repository/ENG_file/Governance/anticorruption/anti_corruption_guidelines.pdf).

3.7 Antitrust Compliance Programme

The principles of the free market and competition are included in Snam's fundamental values, are recognised in both the Articles of Association and the Code of Ethics and are an integral part of Snam's corporate culture.

The Antitrust Compliance Programme is composed of a range of activities aimed at the dissemination of antitrust culture as well as the identification of breaches of Italian and European competition laws, in order to prevent non-compliant conduct and to raise awareness among employees, middle managers and executives regarding compliance with applicable legislative provisions.



Highlights of the Antitrust Compliance Programme

The programme is focused on the implementation of the requirements contained in the Antitrust Guidelines, which aim to describe the content of antitrust legislation in a simple and accessible manner, while providing practical guidance on how to act in concrete situations that could lead to potential antitrust violations, also performing a simplifying role. The Guidelines consist of a central document and several annexes; specifically, the central document briefly describes the fundamental concepts of antitrust Law; the structure of the compliance programme adopted by Snam; the powers of the Italian antitrust authorities to ensure compliance with specific regulations; and, lastly, the rules of conduct for Snam's employees to prevent antitrust risk.

The Antitrust Guideline is available on the Company's website (http://www.snam.it/export/sites/snam-rp/repository/file/Governance/lineaguida_antitrust/lineaguida_antitrust.pdf).

3.8 Privacy Compliance Programme

The purpose of the "Privacy Guidelines", adopted by the Board of Directors, is to (i) define the corporate roles and requirements to be implemented with regard to the protection of personal data in accordance with Regulation (EU) 2016/679 and (ii) guide all Snam's employees so that personal data is processed in compliance with the fundamental rights and freedoms of natural persons and, in particular, with the right to the protection of personal data.

The document is structured into three macro areas that can be distinguished as:

- foundations for the lawfulness of processing and the rights of data subjects, aimed at identifying the legal basis of the processing and the main rights granted to stakeholders, referring to the principles of lawfulness, transparency and proportionality;
- a privacy management system, which incorporates Snam's approach to the privacy system (risk assessment, impact assessment, security measures adopted, privacy by design and by default);
- key privacy roles and responsibilities, for all of which individuals have been identified, both inside and outside Snam, which contribute, in various ways, to maintaining an effective and efficient management system and the relevant responsibilities.

During 2022 the Group Cookie Policy was revised in accordance with the Guidelines on cookies and other tracking tools published by the Italian Data Protection Authority on 10 June 2022.

3.9 Whistleblowing

Since 2006, Snam has implemented specific rules to establish a codified system for the collection, analysis, verification and reporting of notifications, anonymous or otherwise, received by Snam and its Subsidiaries (the "**Whistleblowing Guidelines**") and to establish the criteria and methods for the establishment of information channels. Activities are ongoing to adapt the processes to the provisions of Directive (EU) 2019/1937 on Whistleblowing, which is soon to be implemented in our Country.



Whistleblowing highlights

- Management of communication channels assigned to an external person (an Ombudsman) identified as a professional with a high degree of legal training in criminal matters, who ensures that reports are received and analysed by applying criteria of maximum confidentiality in order, inter alia, to protect the good repute of persons involved and efficiency of investigations
- Preliminary investigations into notifications carried out in an integrated and coordinated manner, through the involvement of the Internal Audit function, having first consulted the Legal, Governance, Compliance, ERM & HSEQ function for those matters within its purview. Quarterly circulation of a report on notifications received - issued by the Internal Audit function - to the following corporate functions:
 - Chair of Snam;
 - Chief Executive Officer;
 - Snam's Board of Statutory Auditors;
 - CRRPTC;
 - Supervisory Body;
 - External Auditors;
 - General Counsel;
 - CFO and Financial Reporting Officer;
 - EVP Human Resources, Organization & PFM.

In case of notifications regarding Subsidiaries, the reports, insofar as they are relevant, are sent to the managing directors of each Subsidiary concerned, as well as to the relevant control and supervisory bodies.

The Whistleblowing Guidelines have also been revised to take account of new provisions introduced by Law No. 179 of 30 November 2017 ("Provisions for the protection of persons reporting offences or irregularities of which they become aware in the context of a public or private employment relationship") which, with reference to the private sector, provided, through changes to Article 6 of Legislative Decree No. 231 of 2001, for protection of employees or contractors reporting illegal conduct or breaches of the entity's organisation and management model, and the provision (i) of one or more channels to enable the transmission of reports, at least one of which is capable of guaranteeing the confidentiality - using computerised means - of the reporting person's identity during the handling of the report, and (ii) of disciplinary sanctions against any person who breaches measures to safeguard the whistleblower.

The Whistleblowing Guidelines are available on the Company's website

(https://www.snam.it/export/sites/snam-rp/repository/file/Governance/procedure/procedure_segnaiazioni/snam_segnaiazioni_anche_anonime.pdf)

Below is a table detailing the activities carried out by Internal Audit as regards reports received in the last three years:

	2020	2021	2022
Reports received and processed	10	6	7
- relating to the Internal Control System	5	4 ⁽⁶⁷⁾	2
- relating to accounting, auditing, fraud, etc.		-	-
- relating to other matters (breach of Snam's Code of Ethics, administrative liability of companies pursuant to Legislative Decree No. 231/2001, HSE matters, mobbing, security, anti-corruption, breach of business ethics, etc.)	5	5 ⁽⁶⁸⁾	7 ⁽⁶⁹⁾
Reports dismissed due to lack of evidence or because untrue (No.)	3	2 ⁽⁷⁰⁾	5 ⁽⁷¹⁾
Reports resulting in corporate disciplinary or managerial action ⁷² and/or referral to a legal authority	5	0	8 ⁽⁷³⁾
Reports in the process of examination (No.)	2	6 ⁽⁷⁴⁾	0

3.10 Health, Safety, Environment and Public Safety

The "Health, Safety, Environment and Public Safety" Guidelines describe the principles of HSEQ and Public Safety that guide actions with a view to transparency and collaboration with suppliers and business partners. These principles, precisely expressed through the adoption of specific HSEQ and PIR policies, have been adopted by Snam with the aim of preventing risks and reducing the impact on health, safety and the environment of its activities.

All measures prescribed by laws and industry regulations are also implemented through the development, continuous updating and prompt implementation of HSEQ management systems. Consistent with international standards and certified by third parties, these systems also enable Snam to ensure a continuous improvement in performance and the adoption of international best practice.

The HSE Guidelines provide, inter alia, that a review must be carried out periodically by senior management and by the functions which, according to their remits, analyse the internal and external context of the company, in order to evaluate the

adequacy, suitability and effectiveness of the management systems, including in relation to the achievement of objectives, continuous improvement and compliance with the applicable rules and requirements, and to ensure alignment with the strategic guidelines. Finally, provision is made for periodic reports, meetings and management reviews, as the main communication and information tools by which top management, the corporate control bodies and the reporting lines verify compliance with the reference standards and the adequacy, efficiency and effectiveness of the management systems.

3.11 Key features of the internal control and risk management system in relation to corporate reporting

(i) *Foreword*

The ICRMS is designed to ensure the dependability⁷⁵, accuracy⁷⁶, reliability⁷⁷ and timeliness of the Company's financial reporting and the capacity of the main relevant corporate processes to produce such reporting in accordance with the accounting standards.

⁶⁷ 3 of which also related to other subjects.

⁶⁸ 3 of which also concern the Internal Control System.

⁶⁹ 2 of which also concern the Internal Control System.

⁷⁰ Refer to reports received in 2020.

⁷¹ 3 of which refer to report received in 2022 and 2 of which refer to reports received in 2021.

⁷² "Managerial" also means organisational/procedural measures relating to measures to improve the ICRMS.

⁷³ 4 of which refer to reports received in 2022 and 4 of which refer to reports received in 2021.

⁷⁴ The INTAU analyses have been completed. 4 reports are in the process of being archived by the competent Supervisory Bodies; the remaining 2 reports are under the exam of other corporate functions.

⁷⁵ Dependability (of the reporting): reporting that is correct, complies with generally accepted accounting standards and fulfils the requirements of the applicable laws and regulations.

⁷⁶ Accuracy (of the reporting): error-free disclosure.

⁷⁷ Reliability (of the reporting): reporting that is clear and complete, thereby enabling investors to make informed decisions.

The reporting consists of all data and information financial and non-financial contained in the periodic accounting documents required by law as well as in any other accounting document or external communication covered by the statements provided for by Article 154- bis of TUF.

The CRCS model adopted by Snam and its Subsidiaries was defined in accordance with the provisions of Article 154-bis of TUF and is based, from a methodological standpoint, on the COSO Framework ("Internal Control - Integrated Framework", issued by the Committee of Sponsoring Organisations of the Treadway Commission), an international reference model for establishing, updating, analysing and evaluating the internal control system.

The Snam Group's CRCS is governed by a body of regulations that defines the methodologies, roles, responsibilities, activities to be performed and reporting flows for the establishment, maintenance over time, functioning and assessment of the effectiveness of the Group's CRCS, applied to Snam and the Subsidiaries, taking into account their significance.

(ii) Phases of the CRCS

The CRCS is planned, established and maintained through the following activities.

1. SCOPING	2. RISK ASSESSMENT	3. IDENTIFICATION OF CONTROLS	4. MONITORING OF CONTROLS	5. EVALUATION AND REPORTING
<p>Identification of the scope of analysis in relation to Group companies which apply the CRCS on the basis of the financial statement items and information that are significant for this purpose and the importance of the processes and specific risks.</p>	<p>Identification and assessment of specific activities likely to generate risks of unintentional error or fraud, which may have a significant impact on the financial statements or potential events that if they occur could compromise the achievement of control objectives relating to corporate reporting</p> <p>The risk assessment is carried out both at the "inherent" level, i.e. assuming the absence of controls, and at the "residual" level.</p>	<p>Against companies, processes and relevant risks, the system is based on two fundamental principles: (i) the dissemination of controls to all levels of the organisational structure, in line with the operational responsibilities assigned, and (ii) sustaining the controls over time, so that they are integrated and compatible with operating requirements. The model includes four components of CRCS: Company Entity Level Controls, Process Level Controls, Segregation of Duties and IT General Controls.</p>	<p>The controls are regularly checked for adequacy of design and effective operation, through both line monitoring assigned to management and independent monitoring assigned to Internal Audit.</p> <p>Snam's Board of Directors has also mandated the External Auditors to examine the adequacy of the internal control system in connection with the preparation of financial information for the drafting of Snam's individual financial statements and consolidated financial statements.</p>	<p>The outcomes of the assessments of the controls carried out on the basis of monitoring activities are regularly reported. The Financial Reporting Officer uses these reports to draft a half-year report and an annual report on the adequacy and effective implementation of the CRCS, which is shared with the Snam CEO and sent to the Board of Directors and subsequently notified to the CRRPTC and the Board of Statutory Auditors. The CEO and the Director in Charge of Snam, also on the basis of such reporting, issue the attestations required by law.</p>

(iii) Positions and functions involved

The activities of identifying and assessing risks, as well as implementing controls and related line monitoring are assigned to the functions that manage the activities and processes, and in particular to the Risk Owners and Risk Specialists, within the scope of their own areas of competence. The CRCS unit is responsible for the definition of standards, methodologies and reference criteria, coordinates and manages the control system as a whole, and provides methodological and operational support to the Financial Reporting Officer and

to all the functions and persons involved in the implementation of the CRCS.

The senior managers and CEOs of the individual Snam Group companies, within the CRCS are responsible for establishing and maintaining the their company's control system over time; they receive the results of the checks performed by the competent functions on all the controls and sign dedicated reports that are submitted to their own Boards of Directors, after informing the Board of Statutory Auditors, and to the Parent Company.

(iv) *Updating of the Model*

The Internal Control System for Corporate Reporting is constantly updated in order to maintain controls that are always adequate and adhering to existing operations, implementing all organizational changes, as well as those related to different methods of performing activities and using information systems. The interventions take into account the information and observations received from the competent functions, from line monitoring, from independent monitoring, from the results of audits conducted by the independent auditors and from the results of Internal Audit activities. As provided by CRCS, reporting activities were conducted on the RACI platform in 2022 as part of four “monitoring campaigns”. The Risk Specialists, following the monitoring conducted, evaluated the individual controls by feeding the information flow to the Risk Owners. The latter have thus signed reports related to their function, reporting the summary results of the monitoring and confirming the adequacy of the controls to guard against risks in their areas of responsibility.

During the year, a project initiative was also carried out aimed at updating the CRCS Model, also in relation to the main reference practices on internal control systems on financial reporting. In the context of the project, information inferred from the benchmark guided the definition of the evolutionary lines of the model, which was extended to companies in energy transition, taking into account the size and characteristics of these companies.

The provision of the training on the CRCS is also continued in e-learning mode to the staff of the Snam Group in order to inform them of the aims and characteristics of the model, so that each person is aware of his/her role and responsibility and can make an adequate contribution to the proper functioning of the model. For all those involved in monitoring and assessment activities “special tutorials and video clips” are also available, illustrating the main activities to be carried out and the steps to be performed in the system.

3.12 Snam Group Tax Strategy and Tax Cooperative Compliance

The “Snam Group Tax Strategy” Guidelines describe the principles that inform the Group’s tax governance both in strategic terms, with regard to the risk appetite and the long-term objectives pursued with reference to the

tax variable, and in operational terms, with regard to the architecture of the tax risk control system (the “Tax Control Framework” (“TCF”)⁷⁸).

The adoption of a clear and documented tax strategy represents, inter alia, the main requirement for access to the tax cooperative compliance regime established by Legislative Decree No. 128 of 5 August 2015, which promotes forms of communication and cooperation between the tax authorities and taxpayers.

With the cooperative compliance programme, the Italian Revenue Agency aims to establish a relationship of trust between the authorities and taxpayers to increase the level of certainty on relevant tax issues. This objective is pursued through ongoing, preventative dialogue with taxpayers on factual and legal matters, in order to make a common assessment of situations likely to generate tax risks.

Membership of the scheme is for taxpayers who meet the legal requirements and who have a system for detecting, measuring, managing and controlling tax risk (“Tax Control Framework”) understood as the risk of violating rules of a tax nature or operating contrary to the principles or purposes of the tax system.

In return for the implementation of this system for the prevention of tax risk, the law provides some benefits, in particular:

- ongoing dialogue with the Italian Revenue Agency, which offers the opportunity to manage uncertain situations and is prepared to resolve tax disputes as soon as possible;
- clear advantages in reputational terms through the inclusion of the company in public lists of “virtuous” taxpayers (the list is published on the Italian Revenue Agency website);
- a 50% reduction in penalties in the event of disputes.

Snam’s adherence constitutes a fundamental step on the path of accountability, presenting Snam and the Group as an entity that acts in full transparency with the tax authorities, completely in line with its sustainability programme.

On 2 December 2019, the Italian Revenue Agency notified the order of admission to the cooperative

compliance regime, while ordering the inclusion of Snam and Snam Rete Gas S.p.A. in the list of companies operating in full transparency with the Italian tax authorities, published on the Italian Revenue Agency's website.

In line with the approach dictated by the "Snam Group Tax Strategy", the tax risk management process has also been extended to Group companies which, although not admitted to the collaborative compliance procedure due to lack of size requirements, have been considered relevant from a risk-based perspective. Currently, tax risk is managed through TCF for nine Group companies⁷⁹.

From the year 2020, a three-year plan for Risk Assessment and line monitoring of controls has been initiated involving the nine Companies that have adopted the Tax Control Framework.

In addition, with regard to Snam and Snam Rete Gas, as required by the Tax Compliance Mode⁸⁰, a three-year independent monitoring plan has been defined by the Tax Risk Manager about the controls mapped in the TCF.

The risks and control safeguards subject to monitoring are mapped within special Risk & Control Matrixes that are subject to ongoing maintenance and reinforcement

activities, also in light of the outcomes of the Risk Assessment, line monitoring and independent monitoring campaigns. Based on these outcomes, activities were carried out to review, update and complete the body of internal regulations governing activities related to tax compliance.

In particular, during the year 2022, these activities were aimed at verifying the correctness of the mapping of business activities associated with related risks and controls and assessing possible additions to the Risk & Control Matrix.

3.13 Related Parties Guidelines

The Guidelines for "Transactions in which directors and statutory auditors have an interest and related-party transactions" have been adopted pursuant to the Regulation on Related-Party Transactions (the "**Related-Parties Guidelines**")⁸¹, in accordance with the Unbundling Regulations, taking into account the specific nature of the business of Snam and its Subsidiaries, which are overseen by ARERA. The Related Parties Guidelines, adopted pursuant to Consob Regulation no. 17221/2010 (the "**Consob Regulation**"), as subsequently amended and integrated, were last amended by the Board of Directors on 14 September 2022.



Highlights of the Related-Party Guidelines

- Involvement, as the case may be, of the CRRPTC or the Remuneration Committee (for decisions concerning the remuneration of Snam's directors, statutory auditors and key management personnel)
- Provision of a materiality threshold equal to 5% for the totality of Related-Party Transactions and 2.5% for Transactions entered into with the eventual listed holding company - if any- or with entities related to it that are themselves related to the Company, to be applied in relation to the countervalue, assets and liabilities indices, in accordance with Consob regulations
- Transmission to the CRRPTC by the Legal Department, on a quarterly basis, of all available information relating to Large Transactions exempted from the application of the Related-Party Guideline
- Extension of the scope of application of the Guidelines to all transactions entered into by the Subsidiaries with related parties of Snam
- Establishment of a special approval process for transactions in which directors or statutory auditors of Snam have an interest

⁷⁹ Snam S.p.A., Snam Rete Gas S.p.A., Stogit S.p.A., GNL Italia S.p.A., Infrastrutture Trasporto Gas S.p.A., Snam4Mobility S.p.A., Cubogas S.r.l., IES Biogas S.r.l., TEP Energy Solution S.r.l.

⁸⁰ Operating document that defines how to manage the process of detecting, measuring, treating and controlling tax risk (so-called "Tax Risk Management" process), in the context of Snam's more comprehensive Tax Control Framework.

⁸¹ The "Transactions in which directors and statutory auditors have an interest and related-party transactions" Guidelines define a "transaction" (or "transactions") as the transfer of resources, services or obligations, regardless of whether a fee has been agreed, carried out by Snam or its Subsidiaries (including entities not having a corporate nature whose management bodies are mainly composed of employees of Snam or its subsidiaries) with related parties of Snam. These include: (i) mergers or demergers by incorporation or non-proportional demergers; (ii) any decision relating to the awarding of remuneration and financial benefits, in any form, to members of the administration and control bodies and to executives with strategic responsibilities.

The Related-Parties Guideline identifies Snam's "Related Parties" as persons defined as such by the international accounting standards adopted in accordance with the procedure set out in Article 6 of Regulation (EC) No. 1606/2002 in force at the time of the start of negotiations on a transaction, specifying that the directors and standing statutory auditors of Snam are, in any case, considered related parties of Snam.

The Related-Parties Guidelines make a distinction between Large Transactions and Small Transactions, on the basis of a relevance threshold in accordance with Consob Regulation, also identifying a threshold of insignificance – different in relation to the nature of the counterparty and the transaction – below which the preliminary and decision-making process laid down in the same Guideline does not apply.

The Related-Parties Guidelines require that the competent Committee issue:

- for "Small Transactions"⁸², a non-binding reasoned opinion that must address the Company's interest in the transaction, as well as the expediency and substantial accuracy of its conditions. In the event of a negative opinion, the Company is required to inform the market of the reasons that led it to conclude the transaction despite this opinion;
- for "Large Transactions"⁸³, which are the exclusive preserve of the Board of Directors, a favourable reasoned opinion on the Company's interest in the transaction, as well as the suitability and substantive accuracy of its conditions. The Committee is also promptly involved in the negotiation and examination stages, receiving comprehensive and updated information, with the power to request information and submit comments to the authorised bodies and persons tasked with the negotiations and examination.

In both cases, the Committee may be assisted, at the Company's expense, by one or more independent experts, on the condition that it verifies in advance its compliance with the independence requirements in accordance with paragraph 2 of the Guideline.

If the related party transaction falls within the competence of the Board of Directors, the "Directors Involved in the Transaction" – i.e. those who have an interest in the transaction, on their own behalf or on behalf of third parties, that conflicts with that of Snam – abstain from voting on the transaction, it being understood that they may take part in the related discussion.

Finally, the Related-Parties Guidelines set out a special approval process - which requires, inter alia, that the CRRPTC issue a non-binding opinion on the appropriateness of the transaction for the Company - in the case of transactions, other than related-party transactions, in which Snam's directors or statutory auditors have an interest, on their own account or on behalf of third parties.

The Related Parties Guideline is available on the Company's website

(https://www.snam.it/export/sites/snam-rp/repository/file/Governance/lineaguida/parti_correlate/Snam_Linea_Guida_OPC_2022.pdf)

For further information on the composition, organization and functioning of the CRRPTC, please refer to Paragraph 3.1, Section III, of the Report.

3.14 Market Abuse Guidelines

Snam's Market Abuse Guidelines combine and coordinate within a single systematic document the market abuse rules and principles with which the Company and its related parties must comply in order to:

- protect investors, to prevent situations of information asymmetry, and prevent certain persons from using non-public information to carry out speculative market transactions; and
- protect the Company from any liability that it may incur as a result of the conduct of persons attributable to it.

⁸² Within the meaning of the Related-Parties Guidelines, "Small Transactions" are all transactions other than "Large Transactions" and "Negligible Transactions" (defined in Annex 2 of the Procedure).

⁸³ "Large Transactions" are indicated in Annex 1 to the Related-Parties Guidelines.



Highlights of the Market Abuse Guidelines

- Snam's Market Abuse Guidelines - that take account of the "Market Abuse Regulation" pursuant to EU Regulation 596/2014 (and the relevant implementing regulations) - came into force on 3 July 2016 and were most recently updated in March 2018 with the aim of complying with the regulatory amendments introduced to the Issuers' Regulation by Consob Resolution No. 19925 of 22 March 2017 and of taking account of the Guidelines on the Management of Inside Information published by Consob on 13 October 2017
- A single document – organic, systematic and updated to incorporate new European legislation – that incorporates all measures relating to market abuse. Provision relating to the management of price sensitive information, relevant information, internal dealing, black-out periods and insider register
- Provision of a specific procedure for delayed dissemination of inside information
- Identification of detailed information flows within the corporate organisational structure and with the Subsidiaries
- Training programme, in order to raise awareness among Snam's employees on issues related to rules on market abuse

The Market Abuse Guidelines are divided into three sections, as described in more detail below.

Section I – Management of inside information

This section covers:

- the identification and management of relevant and inside information;
- the procedures to be followed for communicating such information both within and outside of the corporate environment;
- the procedure to be followed if the Company considers it necessary to delay dissemination to the public of inside information;
- the establishment, maintenance and updating of the register of persons who have access to relevant information and the register of persons who have access to inside information.

Section II - Internal dealing

This section covers disclosure and conduct requirements related to: (a) transactions on shares or debt instruments issued by the Company or on derivatives and other financial instruments linked thereto, and - where applicable - on emission allowances and auctioned products based thereon or related derivatives, by persons with managerial or control duties or by persons closely associated with them; and (b) transactions involving shares of the Company or

other financial instruments linked thereto, carried out, directly or indirectly, by anyone holding shares of the Company equal to 10% of the share capital, and by any other person controlling the Company.

Specifically, it includes the following:

- criteria for identifying "Relevant Persons", "Relevant Shareholders" and "Relevant Transactions" to which the legislation in question applies;
- the disclosure obligations of "Relevant Persons", "Relevant Shareholders" and the Company in respect of Consob and the public in relation to "Relevant Transactions"; and
- rules preventing "Relevant Persons" from carrying out "Relevant Transactions" in given periods ("black out period"⁸⁴).

Section III – Final provisions

This section covers provisions relating to: (a) market surveys; and (b) the updating of the Guidelines and final provisions.

The Market Abuse Guideline is available on the Company's website (http://www.snam.it/export/sites/snam-rp/repository/file/Governance/procedure/Market_Abuse/Procedure_Market_Snam_REV04.pdf).

⁸⁴ Pursuant to the Market Abuse Guidelines, "Relevant Persons" and "Closely-Related Persons" are not permitted to carry out – directly or via an intermediary - "Relevant Transactions" within a period of 30 calendar days before the Company announces the figures contained in the annual financial report, the half-year financial report and in other periodic financial reports that are subject to mandatory publication. For the definition of "Relevant Persons", "Closely-Related Persons" and "Relevant Transactions", see the Market Abuse Guidelines.

**SECTION V:
ANY CHANGES TO
THE CORPORATE
GOVERNANCE STRUCTURE
THAT OCCURRED AFTER
THE END OF THE
FINANCIAL YEAR**

There are no further relevant changes occurred after the end of the financial year.

SECTION VI: SUMMARY TABLES



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SUMMARY TABLES

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TABLE 1 – STRUCTURE OF THE BOARD OF DIRECTORS AT THE END OF THE FINANCIAL YEAR

Board of Directors												
Office held	Members	Year of birth	Date of first appointment *	In office since	In office until	List **	Exec.	Non-exec.	Indep. Codes	Indep. TUF	No. of other offices***	(§)
Chair	Monica de Virgiliis	1967	27/04/2022	27/04/2022	Financial Statements at 31/12/2024	M		X	X	X	1	10/10
Chief Executive Officer (◊) (♠) ⁸⁵	Stefano Venier	1963	27/04/2022	27/04/2022	Financial Statements at 31/12/2024	M	X				1	10/10
Director	Massimo Bergami	1964	27/04/2022	27/04/2022	Financial Statements at 31/12/2024	M		X	X	X	0	9/10
Director	Laura Cavatorta	1964	02/04/2019	27/04/2022	Financial Statements at 31/12/2024	m		X	X	X	2	15/15
Director	Augusta Iannini	1950	27/04/2022	27/04/2022	Financial Statements at 31/12/2024	M		X	X	X	2	10/10
Director	Piero Manzoni	1962	27/04/2022	27/04/2022	Financial Statements at 31/12/2024	m		X	X	X	0	10/10
Director	Rita Rolli	1969	02/04/2019	27/04/2022	Financial Statements at 31/12/2024	m		X	X	X	1	15/15
Director	Qinjing Shen	1978	17/02/2022	27/04/2022	Financial Statements at 31/12/2024	M		X			3	13/14
Director	Alessandro Tonetti	1977	27/04/2016	27/04/2022	Financial Statements at 31/12/2024	M		X			1	14/15

DIRECTORS CEASED DURING THE RELEVANT FINANCIAL YEAR

Chair	Nicola Bedin	1977	18/06/2020	18/06/2020	Financial Statements at 31/12/2021	(1)		X	X	X	0	5/5
Chief Executive Officer (◊) (♠)	Marco Alverà	1975	27/04/2016 ⁸⁶	02/04/2019	Financial Statements at 31/12/2021	M	X				2	5/5
Director	Antonio Marano	1960	02/04/2019	02/04/2019	Financial Statements at 31/12/2021	M		X	X	X	1	5/5
Director	Francesco Gori	1952	26/03/2013	02/04/2019	Financial Statements at 31/12/2021	m		X	X	X	2	5/5
Director	Francesca Pace	1961	02/04/2019	02/04/2019	Financial Statements at 31/12/2021	M		X	X	X	0	5/5
Director	Yunpeng He	1965	26/01/2015	02/04/2019	28/01/2022	M		X			3	-

No. of meetings held during the financial year: 15

Quorum required for the submission of slates of candidates by minority shareholders for the election of one or more members⁸⁷: 0.5% of the share capital

NOTE

* This symbol indicates the Director in charge of the internal control and risk management system.

◊ This symbol indicates the person with primary responsibility for the management of the issuer (Chief Executive Officer or CEO).

* The date of first appointment of each director means the date on which the director was appointed for the first time (in absolute terms) to Snam's Board of Directors.

(1) Director appointed by the Ordinary Shareholders' Meeting on 18 June 2020 on the proposal of the shareholder Cdp Reti, to replace Luca Dal Fabbro, who had previously resigned with effect from the date of the Shareholders' Meeting.

** This column shows the list from which each Director was drawn ("M": majority list; "m": minority list).

*** This column shows the number of offices held pursuant to Paragraph 2.4, Section III, of this Report.

(§) This column shows the attendance of directors at board meetings for the period on which they held the office.

⁸⁵ Stefano Venier also holds the office of General Manager.

⁸⁶ Marco Alverà held since 15 January 2016 the office of General Manager; he kept holding such office also after his appointment as Chief Executive Officer.

⁸⁷ In accordance with Consob Determination No. 76 of 30 January 2023.

TABLE 2/A – STRUCTURE OF THE BOARD COMMITTEES UNTIL 27 APRIL 2022

Board of Directors		Control and Risk and Related Party Transactions Committee		Compensation Committee		Appointments Committee		Environmental, Social & Governance Committee	
Office held	Members	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Chair of the Board of Directors - non-executive - independent	Nicola Bedin								
Chief Executive Officer	Marco Alverà								
Director - non-executive - independent	Laura Cavatorta					4/4	M	6/6	C
Director - non-executive - independent	Antonio Marano	4/4	M			4/4	C		
Director - non-executive - independent	Francesco Gori	4/4	C						
Director - non-executive - independent	Francesca Pace	4/4	M	7/7	C				
Director - non-executive	Yunpeng He							3/3	M
Director - non-executive - independent	Rita Rolli			7/7	M			6/6	M
Director - non-executive	Alessandro Tonetti			7/7	M	3/4	M		
No. of meetings held:		Control and Risk and Related-Party Transactions Committee: 4		Compensation Committee: 7		Appointments Committee: 4		Environmental, Social & Governance Committee: 6	

NOTE

(*) This column shows the attendance of directors respectively at meetings of the Board of Directors and of the Committees.

(**) This column indicates the status of the director within the Committee: "C": Chair; "M": member.

The directors indicated as independent meet the independence requirements of the Consolidated Financial Act and the Corporate Governance Code.

TABLE 2/B – STRUCTURE OF THE BOARD COMMITTEES FROM 27 APRIL 2022

Board of Directors		Control and Risk and Related-Party Transactions Committee		Appointments and Compensation Committee		Environmental, Social & Governance and Energy Transition Scenarios Committee	
Office held	Members	(*)	(**)	(*)	(**)	(*)	(**)
Chair of the Board of Directors - non-executive - independent	Monica de Virgiliis						
Chief Executive Officer	Stefano Venier						
Director - non-executive - independent	Massimo Bergami			8/10	M	6/6	M
Director - non-executive - independent	Laura Cavatorta	6/6	M			6/6	C
Director - non-executive - independent	Augusta Iannini	6/6	M				
Director - non-executive - independent	Piero Manzoni	6/6	C				
Director - non-executive - independent	Rita Rolli			10/10	C	5/6	M
Director - non-executive	Qinjing Shen					6/6	M
Director - non-executive	Alessandro Tonetti			10/10	M		
No. of meetings held:		Control and Risk and Related-Party Transactions Committee: 6		Appointments and Compensation Committee: 10		Environmental, Social & Governance and Energy Transition Scenarios Committee: 6	

NOTE

(*) This column shows the attendance of directors respectively at meetings of the Committees.

(**) This column indicates the status of the director within the Committee: "C": Chair; "M": member.

The directors indicated as independent meet the independence requirements of the Consolidated Financial Act and the Corporate Governance Code.

TABLE 3 - STRUCTURE OF SNAM'S BOARD OF STATUTORY AUDITORS AT THE END OF THE FINANCIAL YEAR

Office held	Members	Year of birth	Date of first appointment *	In office since	In office until	List **	Indep. Code	Indep. TUF	Attendance at meetings of Board of Statutory Auditors ***	No. of other offices
Chair	Stefano Gnocchi	1974	02/04/2019	27/04/2022	Financial Statements at 31/12/2024	m	X	X	15/15	8
Standing Auditor	Gianfranco Chinellato	1951	02/04/2019	27/04/2022	Financial Statements at 31/12/2024	M	X	X	15/15	9
Standing Auditor	Ines Gandini	1956	27/04/2022	27/04/2022	Financial Statements at 31/12/2024	M	X	X	8/8	7
Alternate auditor	Maria Gimigliano	1976	26/03/2013	27/04/2022	Financial Statements at 31/12/2024	M	X	X	-	-
Alternate auditor	Federica Albizzati	1970	02/04/2019	27/04/2022	Financial Statements at 31/12/2024	m	X	X	-	-
Alternate auditor	Federico Sambolino	1975	27/04/2022	27/04/2022	Financial Statements at 31/12/2024	M	X	X	-	-

STATUTORY AUDITORS CEASED DURING THE RELEVANT FINANCIAL YEAR

Standing Auditor	Donata Paola Patrini	1956	02/04/2019	02/04/2019	Financial Statements at 31/12/2021	M	X	X	8/8	3
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Number of meetings held during the financial year: 15**Quorum required for the submission of candidate lists by minorities for the election of one or more members⁸⁸: 0.5% of the share capital**

NOTE

* The date of first appointment of each statutory auditor means the date on which the statutory auditor was appointed for the first time (in absolute terms) to Snam's Board of Statutory Auditors.

** This column indicates the list from which each statutory auditor was drawn ("M": Majority list; "m": minority list).

*** This column shows the directors' attendance at meetings of the Statutory Auditors.

⁸⁸ In accordance with Consob Determination No. 76 of 30 January 2023.

ANNEX 1

The Corporate Governance Code (January 2020 edition) and the reference to the information contained in the Report regarding the implementation of its recommendations (“comply or explain” principle).

This annex contains the text of the principles and recommendations of the Corporate Governance Code approved by the Corporate Governance Committee in January 2020, together with references to the sections of the Report that describe the procedures for the implementation of each of these principles and criteria (“comply or explain” principle).

CODE OF CORPORATE GOVERNANCE Principles and Recommendations		Applied	Not applied	Inapplicable	Paragraph reference
Article 1 – Role of the board of directors					
P.I	The board of directors leads the company by pursuing its sustainable success.	X			Sec. I, Par. 2 Sec. III, Par. 2.1
P.II	The board of directors defines the strategies of the company and the group it heads in accordance with principle I and monitors its implementation.	X			Sec. I, Par. 2 Sec. III, Par. 2.1
P.III	The board of directors defines the corporate governance system that is most functional for carrying out the company’s business and pursuing its strategies, taking into account the flexibility offered by the legal framework. If necessary, the board of directors evaluates and promotes the appropriate changes and submit them to the shareholders’ meeting when such changes are necessarily subject to the Shareholders’ vote.	X			Sec. III, Parr. 1.3 and 2.1
P.IV	The board of directors promotes dialogue with shareholders and other stakeholders which are relevant for the company, in the most appropriate way.	X			Sec. III, Parr. 2.1 and 6
R.1	The board of directors: <ul style="list-style-type: none"> a) reviews and approves the business plan of the company and the group it heads, also on the basis of matters that are relevant for the long-term value generation. That analysis is carried out with the possible support of a committee whose composition and functions are defined by the board of directors; b) periodically monitors the implementation of the business plan and assesses the general course of the business, comparing the results achieved with those planned; c) defines the nature and level of risk compatible with the company’s strategic objectives, including all the elements that can be relevant for the company’s sustainable success; d) defines the corporate governance system of the company and the structure of the group it heads, and assesses the adequacy of the company’s organisational, administrative and accounting structure and of its strategically important subsidiaries, with particular reference to the internal control and risk management system; e) approves transactions of the company and its subsidiaries that have a significant impact on the company’s strategies, profitability, assets and liabilities or financial position; to this end, it establishes the general criteria for identifying significant transactions; f) on proposal of the chair in agreement with the chief executive officer, adopts a procedure for the internal and external management of documents and information concerning the company, with particular reference to inside information, in order to ensure the correct management of corporate information. 	X			Sec. III, Par. 2.1 Sec. IV, Parr. 1.2 and 3.14

	CODE OF CORPORATE GOVERNANCE Principles and Recommendations	Applied	Not ap- plied	Inappli- cable	Paragraph reference
R.2	<p>If deemed necessary for the effectiveness of the company's corporate governance system, the board of directors develops specific proposals to be submitted to the shareholders' meeting on the following issues:</p> <p>a) choice and characteristics of the corporate model (traditional, "one-tier", "two-tier");</p> <p>b) size, composition and appointment of the board of directors and term of office of its members;</p> <p>c) structure of the shares' administrative and property rights;</p> <p>d) percentages established for the exercise of the prerogatives set up to safeguard minority shareholders.</p> <p>In particular, if the board of directors intends to propose to the shareholders' meeting the introduction of increased voting rights (so-called "voto maggiorato"), it provides adequate reasons in the report that will be submitted to the shareholders prior to their annual meeting. The report indicates the expected effects on the company's ownership and control structure and its future strategies. In the same report, the board discloses the decision-making process followed for the definition of such a proposal and any dissenting opinions voiced within the board.</p>			X	Sec. III, Par. 1.3
R.3	<p>Upon proposal of the chair in agreement with the chief executive officer, the board of directors adopts and describes in the corporate governance report a policy for managing dialogue with the generality of shareholders, taking also into account the engagement policies adopted by institutional investors and asset managers. The chair ensures that the board of directors is in any case informed, within the first suitable meeting, of the development and the significant contents of the dialogue that has taken place with all the shareholders.</p>	X			Sec. III, Par. 6
Article 2 - Composition of the corporate bodies					
P.V	<p>The board of directors is comprised of executive and non-executive directors. All directors ensure professional skills and competence that are appropriate to their tasks.</p>	X			Sec. III, Parr. 2.2 and 2.13
P.VI	<p>The number and skills of non-executive directors ensure significant influence in the decision-making process of the board and guarantee an effective monitoring of management. A significant number of non-executive directors is independent.</p>	X			Sec. III, Parr. 2.2, 2.11 and 2.13
P.VII	<p>The company applies diversity criteria, including gender ones, to the composition of the board of directors, ensuring the primary objective of adequate competence and professionalism of its members.</p>	X			Sec. III, Parr. 2.3 and 4.1
P.VIII	<p>The control body's composition is appropriate for ensuring the independence and professionalism of its function.</p>	X			Sec. III, Par. 4
R.4	<p>The board of directors defines the delegation of managerial powers and identifies who among the executive directors holds the position of chief executive officer. If the chair is entrusted with the position of chief executive officer or with significant managerial powers, the board of directors explains the reasons for this choice.</p>	X			Sec. III, Parr. 2.1, 2.7 and 2.9

	CODE OF CORPORATE GOVERNANCE Principles and Recommendations	Applied	Not ap- plied	Inappli- cable	Paragraph reference
R.5	<p>The number and skills of independent directors are appropriate to the needs of the company and to the well-functioning of the board of directors, as well as to the establishment of board committees.</p> <p>The board of directors includes at least two independent directors, other than the chair.</p> <p>In large companies with concentrated ownership, independent directors account for at least one third of the board.</p> <p>In other large companies, independent directors account for at least half of the board. In large companies, independent directors meet, in the absence of the other directors, on a periodic basis and at least once a year to evaluate the issues deemed of interest to the functioning of the board of directors and to the corporate management.</p>	X			Sec. III, Par. 2.11
R.6	<p>The board of directors assesses the independence of each non-executive director immediately after his or her appointment. The assessment is renewed during the mandate upon the occurrence of circumstances that concern his or her independence and at least once a year.</p> <p>Each non-executive director provides all the elements necessary or useful for the assessment of the board of directors. On the basis of all the information available, the board considers any circumstance that affects or could affect the independence of the director.</p>	X			Sec. III, Par. 2.11

	CODE OF CORPORATE GOVERNANCE Principles and Recommendations	Applied	Not ap- plied	Inappli- cable	Paragraph reference
R.7	<p>The circumstances that jeopardise, or appear to jeopardise, the independence of a director are at least the following:</p> <p>a) if he or she is a significant shareholder of the company;</p> <p>b) if he or she is, or was in the previous three financial years, an executive director or an employee:</p> <ul style="list-style-type: none"> - of the company, of its subsidiary having strategic relevance or of a company subject to joint control; - of a significant shareholder of the company; <p>c) if he or she has, or had in the previous three financial years, a significant commercial, financial or professional relationship, directly or indirectly (for example through subsidiaries, or through companies of which he or she is an executive director, or as a partner of a professional or a consulting firm):</p> <ul style="list-style-type: none"> - with the company or its subsidiaries, or with their executive directors or top management; - with a subject who, also together with others through a shareholders' agreement, controls the company; or, if the control is held by a company or another entity, with its executive directors or top management; <p>d) if he or she receives, or received in the previous three financial years, from the company, one of its subsidiaries or the parent company, significant remuneration other than the fixed remuneration for the position held within the board and for the membership in the committees recommended by the Code or required by law;</p> <p>e) if he or she has served on the board for more than nine years, even if not consecutive, of the last twelve years;</p> <p>f) if he or she holds the position of executive director in another company whereby an executive director of the company holds the office of director;</p> <p>g) if he or she is a shareholder, quota-holder or director of a company or other legal entity belonging to the network of the external auditor of the company;</p> <p>h) if he or she is a close relative of a person who is in any of the circumstances set forth in previous letters.</p> <p>The board of directors defines ex ante, at least at the beginning of its mandate, the quantitative and qualitative criteria for assessing the significance of the situations set forth above in letters c) and d). If the director is also a partner in a professional or a consulting firm, the board of directors assesses the significance of the professional relationships that may have an effect on his or her position and role within the professional or the consulting firm and in any event those pertaining to important transactions of the company and the group it heads, even regardless of the quantitative parameters.</p> <p>The chair of the board of directors, who has been nominated for such role according to recommendation 23, can be assessed as independent if none of the circumstances set forth above occurs. If the independent chair is member of the board committees recommended by the Code, such committees are made up in majority of independent directors, other than the chair. The independent chair of the board of directors cannot chair the remuneration committee and the control and risk committee.</p>	X			Sec. III, Par. 2.11

	CODE OF CORPORATE GOVERNANCE Principles and Recommendations	Applied	Not ap- plied	Inappli- cable	Paragraph reference
R.8	<p>The company defines the diversity criteria for the composition of the board of directors and the control body and identifies the most suitable tool for their implementation, taking into account its ownership structures.</p> <p>At least a third of the board of directors and the control body, where the latter is autonomous, is to be comprised of members of the less represented gender.</p> <p>Companies adopt measures to promote equal treatment and opportunities among genders within the entire organisation, monitoring their specific implementation.</p>	X			Sec. III, Par. 2.3
R.9	All members of the control body meet the independence requirements set out in recommendation 7 for directors. The independence assessment is carried out, with the timing and manner provided for by recommendation 6, by the board of directors or by the control body; such an assessment is based on the information provided by each member of the control body.	X			Sec. III, Par. 4.1
R.10	The outcome of the assessments of independence of directors and members of the control body referred to in recommendations 6 and 9 is disclosed to the market immediately after the appointment through a specific press release and, later, in the corporate governance report. In both cases, the outcome of the assessment provides information about: the criteria used for the assessment of the significance of the relationships and, in case of any deviation from the circumstances set forth in recommendation 7, a clear and detailed reason for this choice motivated by the individual situation and characteristics of the director concerned.	X			Sec. III, Parr. 2.11 and 4.2
Article 3 - Functioning of the board of directors and the role of the chair					
P.IX	The board of directors defines the rules and procedures for its functioning, ensuring an efficient flow of information to directors.	X			Sec. III, Par. 2.5 Annex 3
P.X	The chair of the board of directors plays a liaison role between executive and non-executive directors and ensures the effective functioning of the board.	X			Sec. III, Par. 2.7 Annex 6
P.XI	The board of directors ensures an adequate division of its functions and establishes board committees with preliminary, propositional and consultative functions.	X			Sec. III, Parr. 2.1 and 3
P.XII	Each director ensures adequate time commitment for the fulfilment of their board responsibilities.	X			Sec. III, Parr. 2.4 and 2.13 Annex 5
R.11	<p>The board of directors develops internal rules that define the functioning of the board and its committees, including the means for recording the minutes of the meetings and the procedures for providing information to directors. These procedures identify the prior notice for the submission of the documentation, ensuring that confidentiality issues are properly managed without affecting the timeliness and completeness of the flow of information.</p> <p>The corporate governance report provides adequate information on the main contents of the board of director's internal rules and on compliance with the procedures aimed at ensuring the timeliness and adequacy of the information provided to the directors.</p>	X			Sec. III, Parr. 2.5 and 3 Annex 3

	CODE OF CORPORATE GOVERNANCE Principles and Recommendations	Applied	Not ap- plied	Inappli- cable	Paragraph reference
R.12	<p>The chair of the board of directors, with the help of the board secretary, ensures that:</p> <p>a) the pre-meeting information and the complementary information provided during the meeting are suitable to allow directors to act in an informed manner;</p> <p>b) the activity of the board committees with preliminary, propositional and consultative functions is coordinated with the activity of the board of directors;</p> <p>c) in agreement with the chief executive officer, the managers of the company and those of the companies of the group it heads, who are competent on the issues concerned, participate in the relevant board meetings to provide appropriate insights on the items on the agenda, also upon request of one or more directors;</p> <p>d) all the members of the board of directors and control body can take part, after the appointment and during the mandate, in initiatives aimed at providing them with adequate knowledge of the industry in which the company operates, the company dynamics and their evolution, also in relation to the company's sustainable success. Such initiatives also cover the risk management issues as well as any relevant part of the regulatory and self-regulatory framework;</p> <p>e) to provide for the adequacy and transparency of the board review, with the support of the nomination committee.</p>	X			Sec. III, Par. 2.7 Annex 6
R.13	<p>The board of directors appoints an independent director as lead independent director:</p> <p>a) if the chair of the board of directors is the chief executive officer or holds significant managerial powers;</p> <p>b) if the office of chair is held by the person who controls, also jointly, the company;</p> <p>c) in large companies, even in the absence of the conditions indicated in letter a) and b), if requested by the majority of independent directors.</p>			X	Sec. III, Par. 2.12
R.14	<p>The lead independent director:</p> <p>a) collects and coordinates the requests and contributions of non-executive directors and, in particular, of independent ones;</p> <p>b) coordinates the meetings of the independent directors.</p>			X	Sec. III, Par. 2.12
R.15	<p>In large companies, the board of directors expresses its guidelines on the maximum number of offices that can be considered compatible with an effective performance and the time commitment required by the role of the directors. The relevant offices are those held in corporate bodies of other listed companies and of companies having a significant size.</p>	X			Sec. III, Parr. 2.1 and 2.4 Annex 5

	CODE OF CORPORATE GOVERNANCE Principles and Recommendations	Applied	Not ap- plied	Inappli- cable	Paragraph reference
R.16	<p>The board of directors sets up internal committees with preliminary, propositional and consultative functions regarding appointments, remuneration and control and risks. These functions can be either assigned to the three board committees recommended by the Code or distributed in a different manner or even combined in a single committee. In any case, the company ensures an adequate disclosure on the tasks and activities carried out by each of the assigned functions, as well as an adequate composition of each committee.</p> <p>The functions of one or more committees can even be assigned to the board of directors, under the coordination of the chair, provided that:</p> <p>a) independent directors represent at least half of the board;</p> <p>b) the board dedicates adequate sessions to the performance of such functions.</p> <p>In the event that the functions of the remuneration committee are assigned to the board of directors, the last paragraph of recommendation 26 applies.</p> <p>Companies other than large ones may assign the functions of the control and risk committee to the board of directors even in absence of the condition set forth above in letter a).</p> <p>Companies with concentrated ownership, even large ones, can assign the functions of the nomination committee to the board of directors even in absence of the condition set forth above in letter a).</p>	X			Sec. III, Par. 3
R.17	<p>The board of directors defines the tasks of the committees and their composition, favouring the competence and experience of their members and avoiding, in large companies, an excessive concentration of offices.</p> <p>Each committee is coordinated by a chair who informs the board of directors about the committee's activities at the first useful board meeting.</p> <p>The chair of the committee may invite the chair of the board of directors, the chief executive officer, the other directors and, by informing the chief executive officer, the managers of the corporate functions that are competent on the matters of the committee meeting, to individual committee's meetings. The members of the control body can attend the meetings of each committee.</p> <p>Board committees can have access to the information and the corporate functions that are necessary for the performance of their duties. Board committees have adequate financial resources and can avail themselves of external consultants according to the conditions set forth by the board of directors.</p>	X			Sec. III, Par. 3 Annex 7
R.18	<p>The board of directors, upon proposal of the chair, provides for the appointment and dismissal of the board secretary and defines his or her professional requirements and attributes in the board's internal rules.</p> <p>The board secretary supports the activities of the chair and provides impartial assistance and advice to the board of directors on all aspects relevant to the proper functioning of the corporate governance system.</p>	X			Sec. III, Par. 2.8
Article 4 - Appointment of directors and board evaluation					
P.XIII	<p>The board of directors ensures, within its competence, that the process of appointment and succession of directors is transparent and functional to achieve the optimal composition of the board according to the principles set forth in Article 2.</p>	X			Sec. III, Par. 2.2 Annex 3

	CODE OF CORPORATE GOVERNANCE Principles and Recommendations	Applied	Not ap- plied	Inappli- cable	Paragraph reference
P.XIV	The board of directors periodically evaluates, through formalised procedures, its effectiveness and the contribution made by individual directors. The implementation of the board evaluation procedures is supervised by the board itself.	X			Sec. III, Parr. 2.1 and 2.13
R.19	The board of directors entrusts the nomination committee to support it on: <ul style="list-style-type: none"> a) the evaluation of the board and its committees; b) the definition of the optimal composition of the board and its committees; c) the identification of candidates in case of the director's co-optation; d) the possible submission of a slate by the outgoing board, ensuring the transparency of the process that led to the slate's structure and proposition; e) the development, updating and implementation of succession plan for the chief executive officer and the other executive directors. 	X			Sec. III, Par. 3.2 Annex 7
R.20	The majority of directors of the nomination committee are independent.	X			Sec. III, Par. 3.2
R.21	The board evaluation assesses the size, composition and functioning of the board and its committees. It includes also the board's active involvement in the definition of the company's strategy and in the monitoring of the management of the company's business as well as the appropriateness of the internal control and risk management system	X			Sec. III, Par. 2.13 Annex 3
R.22	The board evaluation is conducted at least every three years, before the renewal of the board of directors. In large companies other than those with concentrated ownership, the board evaluation is conducted on an annual basis and can be diversified according to the term of the board's mandate. In such companies, the board considers whether to appoint an external facilitator for its evaluation at least once every three years.	X			Sec. III, Par. 2.13 Annex 3
R.23	In companies other than those with concentrated ownership, the board of directors: <ul style="list-style-type: none"> - sets forth guidelines on board composition deemed optimal before its renewal, considering the outcome of the board evaluation; - requires anyone submitting a slate with a number of candidates that is higher than half the number of members to be elected to provide adequate information on the compliance of the slate with the board guidelines mentioned above, and with the board diversity criteria set forth in principle VII and recommendation 8. In such cases, the slate also identifies its candidate for the chairmanship of the board, whose appointment is conducted according to the company's bylaws. All the information mentioned in this paragraph are disclosed in the documentation attached to the slate during its filing process. <p>The board guidelines are published on the company's website before the publication of the notice of the shareholders' meeting convened for the board's renewal. They identify the managerial and professional profiles and the skills deemed necessary, having due consideration of the company's sectoral characteristics, the board diversity criteria set forth in principle VII and recommendation 8 as well as the board guidelines on the maximum number of offices set forth in recommendation 15.</p>	X			Sec. III, Parr. 2.1 and 2.3 Annex 5

	CODE OF CORPORATE GOVERNANCE Principles and Recommendations	Applied	Not applied	Inapplicable	Paragraph reference
R.24	In large companies, the board of directors: <ul style="list-style-type: none"> - elaborates, with the support of the nomination committee, a plan for the succession of the chief executive officer and executive directors by identifying, at least, the procedures to be followed in the event of an early termination of office; - ascertains the existence of appropriate procedures for the succession of the top management. 	X			Sec. III, Par. 2.14

Article 5 - Remuneration

P.XV	The remuneration policy for directors, members of the control body and the top management contributes to the pursuit of the company's sustainable success and takes into account the need to have, retain and motivate people with the competence and professionalism deemed adequate for their role.	X			Sec. III, Par. 2.15 Report on Remuneration
P.XVI	The remuneration policy is developed by the board of directors through a transparent procedure.	X			Sec. III, Parr. 2.1 and 2.15 Report on Remuneration
P.XVII	The board of directors ensures that the remuneration paid and accrued is consistent with the principles and criteria defined in the policy, considering the results achieved and any other circumstances relevant for its implementation.	X			Sec. III, Parr. 2.1 and 2.15 Report on Remuneration
R.25	The board of directors entrusts the remuneration committee with the task of: <ul style="list-style-type: none"> a) supporting it in the development of the remuneration policy; b) submitting proposals or expressing opinions on the remuneration of executive directors and other directors who hold specific responsibilities, as well as on the setting of performance objectives related to the variable component of this remuneration; c) monitoring the actual application of the remuneration policy and verifying the effective achievement of the performance objectives; d) periodically assessing the adequacy and overall consistency of the remuneration policy for directors and the top management. <p>In order to have people with adequate competence and professionalism, the remuneration of executive and non-executive directors and of the members of the control body is defined with due consideration of the remuneration practices that are common with regards to the company's reference sectors and size. It also considers comparable international practices, with the possible support of an independent consultant.</p>	X			Sec. III, Par. 3.2 Annex 7 Report on Remuneration
R.26	The remuneration committee is made up of non-executive directors, the majority of whom are independent, and is chaired by an independent director. At least one member of the committee has adequate knowledge and experience in financial matters or remuneration policies; such skills are assessed by the board of directors before his or her appointment. <p>No director takes part in the meetings of the remuneration committee in which proposals relating to his or her remuneration are made.</p>	X			Sec. III, Par. 3.2

	CODE OF CORPORATE GOVERNANCE Principles and Recommendations	Applied	Not ap- plied	Inappli- cable	Paragraph reference
R.27	<p>The remuneration policy for executive directors and the top management defines:</p> <p>a) a balance between the fixed and the variable component which is consistent with the company's strategic objectives and risk management policy. Consistency is assessed taking into consideration the business's characteristics and the industry of the company. The variable component has in any case a significant weight on the overall remuneration;</p> <p>b) caps to the variable components;</p> <p>c) performance objectives, to which is linked the payment of the variable components, that are predetermined, measurable and predominantly linked to the long-term horizon. They are consistent with the company's strategic objectives and with the aim of promoting its sustainable success and includes non-financial parameters, where relevant;</p> <p>d) an adequate deferral of a significant part of the variable component that has been already accrued. Such a deferral period is consistent with the company's business activity and its risk profile;</p> <p>e) provisions that enable the company to recover and/or withhold, in whole or in part, the variable components already paid-out or due, where they were based on data which subsequently proved to be manifestly misstated. The company can identify other circumstances in which such provisions are applied;</p> <p>f) clear and predetermined rules for possible termination payments, establishing a cap to the total amount that might be paid out. The cap is linked to a certain amount or a certain number of years of remuneration. No indemnity is paid out if the termination of the office is motivated by director's objectively inadequate results.</p>	X			<p>Sec. III, Par. 2.15</p> <p>Report on Remuneration</p>
R.28	<p>The share-based remuneration plans for executive directors and the top management are aligned with the interests of the shareholders over a long-term horizon, providing that a predominant part of the plan has an overall vesting and holding period of at least five years.</p>	X			<p>Sec. III, Par. 2.15</p> <p>Report on Remuneration</p>
R.29	<p>The remuneration of non-executive directors is adequate to the competence, professionalism and commitment required by their role within the board of directors and its committees; this remuneration is not related to financial performance objectives, except for a non-significant part.</p>	X			<p>Sec. III, Par. 2.15</p> <p>Report on Remuneration</p>
R.30	<p>The remuneration of the members of the control body is adequate to the competence, professionalism and commitment required by their role and the company's size, industry and current situation.</p>	X			<p>Sec. III, Par. 4.1</p> <p>Report on Remuneration</p>

	CODE OF CORPORATE GOVERNANCE Principles and Recommendations	Applied	Not applied	Inapplicable	Paragraph reference
R.31	<p>On the occasion of the termination of office and/or dissolution of the relationship with an executive director or general manager, a press release is published as soon as the internal processes that led to the assignment or the recognition of any indemnities and/or other benefits has been concluded.</p> <p>The press release provides for detailed information on:</p> <p>a) the assignment or the recognition of indemnities and/or other benefits, the circumstances that justify their accrual (e.g. due to the expiration of the term of office, its termination or a settlement agreement) and the decision-making process followed for this purpose within the company;</p> <p>b) the total amount of the indemnity and/or other benefits, the related components (including non-monetary benefits, the vesting of rights connected with incentive plans, the compensation for non-competitive commitments or any other remuneration allocated to any reason and in any form) and the timing of their disbursement (distinguishing the part paid immediately from the part subject to deferral mechanisms);</p> <p>c) the application of any claw-back or malus clauses;</p> <p>d) the compliance of the elements indicated in letters a), b) and c) consistently with the remuneration policy, with a clear indication of the reasons and the decision-making process followed in the event of non-compliance, even if only partial, with the policy itself;</p> <p>e) the procedures that have been or will be followed for the replacement of the executive director or the general manager whose office has been terminated.</p>	X			Sec. III, Par. 2.15 Report on Remuneration

Article 6 - Internal control and risk management system

P.XVIII	The internal control and risk management system consists of a set of rules, procedures and organisational structures for an effective and efficient identification, measurement, management and monitoring of the main risks, aimed at contributing to the sustainable success of the company.	X			Sec. IV, Par. 1
P.XIX	The board of directors defines the guidelines of the internal control and risk management system in accordance with the company's strategies and annually assesses its adequacy and effectiveness.	X			Sec. III, Par. 2.1 Sec. IV, Parr. 1.1 and 1.2
P.XX	The board of directors defines the principles concerning the coordination and the flow of information among the parties involved in the internal control and risk management system. Such principles aim at maximising the effectiveness of the system itself, reducing the duplication of activities and ensuring the successful performance of the duties of the control body.	X			Sec. III, Par. 2.1 Sec. IV, Par. 1.3

	CODE OF CORPORATE GOVERNANCE Principles and Recommendations	Applied	Not ap- plied	Inappli- cable	Paragraph reference
R.32	<p>The organisation of the internal control and risk management system involves:</p> <ul style="list-style-type: none"> a) the board of directors, which plays a role in guiding and assessing the adequacy of the system; b) the chief executive officer, in charge of establishing and maintaining the internal control and risk management system; c) the control and risk committee set up within the board of directors, with the task of supporting the board of directors' assessments and decisions relating to the internal control and risk management system and the approval of periodical financial and non-financial reports. In companies that adopt the "one-tier" or "two-tier" corporate model, the functions of the control and risk committee can be assigned to the control body. d) the head of the internal audit function who is in charge of verifying that the internal control and risk management system is functional, adequate and consistent with the guidelines defined by the board of directors; e) the other corporate functions involved in the internal control and risk management system (such as the risk management functions and the functions dealing with legal and non-compliance risk) which are articulated in relation to the company's size, sector, complexity and risk profile; f) the control body, which monitors the effectiveness of the internal control and risk management system. 	X			Sec. IV, Par. 1.2

	CODE OF CORPORATE GOVERNANCE Principles and Recommendations	Applied	Not ap- plied	Inappli- cable	Paragraph reference
R.33	<p>The board of directors, with the support of the control and risk committee:</p> <p>a) defines the guidelines of the internal control and risk management system consistently with the company's strategies and assesses, at least once a year, the adequacy of this system with respect to the company's characteristics and its risk profile, as well as its effectiveness;</p> <p>b) appoints and dismisses the head of the internal audit function, defining his or her remuneration which is consistent with the company policies. The board ensures that he or she has adequate resources to carry out his or her duties. If the internal audit function is entrusted, as a whole or by operating segments, to an external entity, the board ensures that it meets the adequate requirements of professionalism, independence and organisation, providing adequate reasons for this choice in the corporate governance report;</p> <p>c) approves, at least on an annual basis, the work plan prepared by the head of the internal audit function, after hearing the control body and the chief executive officer;</p> <p>d) evaluates the opportunity to take measures to ensure the effectiveness and impartial assistance of the other corporate functions mentioned in recommendation 32(e). To this end, the board verifies that such functions have adequate professionalism and resources;</p> <p>e) assigns the supervisory functions pursuant to Article 6, paragraph 1, letter b), of Legislative Decree No. 231/2001 to the control body or to a body established specifically for this purpose (the so-called functions of the "Organismo di Vigilanza"). If the body does not correspond to the control body, the board of directors considers whether to appoint within the body at least one non-executive director and/or a member of the control body and/or the head of a legal or supervisory function of the company, in order to ensure coordination among the various parties involved in the internal control and risk management system;</p> <p>f) evaluates, after consultation with the control body, the results presented by the statutory auditor in any letter of suggestions and in the additional report addressed to the control body;</p> <p>g) describes, in the corporate governance report, the main characteristics of the internal control and risk management system and the methods of coordination among the subjects involved. The report provides information about the national and international reference models and best practices adopted and the board's overall assessment of the adequacy of the system itself. Moreover, it provides an adequate explanation of the composition of the control body referred to in letter e) above.</p>	X			<p>Sec. III, Par. 2.1</p> <p>Sec. IV, Par. 1.2</p>

	CODE OF CORPORATE GOVERNANCE Principles and Recommendations	Applied	Not ap- plied	Inappli- cable	Paragraph reference
R.34	<p>The chief executive officer:</p> <ul style="list-style-type: none"> a) identifies the main business risks, considering the characteristics of the activities carried out by the company and its subsidiaries, and periodically submit them to the examination of the board of directors; b) implements the guidelines defined by the board of directors, providing for the design, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness, as well as adapting it to the dynamics of the operating conditions and the legislative and regulatory landscape; c) can entrust the internal audit with the tasks of carrying out specific controls on defined operational areas and on compliance with internal rules and procedures in the implementation of company transactions. Such requests are contextually conveyed to the chair of the board of directors, to the chair of the control and risk committee and to the chair of the control body; d) reports promptly to the control and risk committee on problems and critical issues that emerged in the performance of his or her activity or of which he or she nevertheless has information so that the committee can take appropriate actions. 	X			<p>Sec. III, Par. 2.9</p> <p>Sec. IV, Par. 1.2</p>
R.35	<p>The control and risk committee is comprised of non-executive directors, the majority of whom are independent, and is chaired by an independent director.</p> <p>The committee has expertise that is consistent with the company's industry and assessment of its risks; at least one member of the committee has adequate knowledge and experience in accounting, finance or risk management.</p> <p>The control and risk committee, in assisting the board of directors:</p> <ul style="list-style-type: none"> a) assesses the external auditor and the control body, the correct application of the accounting principles and, in the case of groups, their homogeneity for the purposes of preparing the consolidated financial statement, after hearing the manager responsible for the corporate financial documents; b) assesses whether the periodic financial and non-financial information is suitable to correctly represent the company's business model, its strategies, the impact of its business and the performance achieved, in coordination with the committee mentioned in recommendation 1(a), if established; c) examines the content of the periodic non-financial information relevant to the internal control and risk management system; d) expresses opinions on specific aspects relating to the identification of the main corporate risks and supports the board of directors' assessments and decisions relating to the management of risks deriving from prejudicial facts of which the latter has become aware e) examines the periodic and particularly relevant reports prepared by the internal audit function; f) monitors the autonomy, adequacy, effectiveness and efficiency of the internal audit function; g) can entrust the internal audit with the task of carrying out specific controls on defined operational areas. Such a request is contextually conveyed to the chair of the control body; h) reports to the board of directors, at least upon the approval of the annual and half-yearly financial report, on the activities carried out and on the adequacy of the internal control and risk management system. 	X			<p>Sec. III, Par. 3.1</p> <p>Sec. IV, Par. 1.2</p> <p>Annex 7</p>

	CODE OF CORPORATE GOVERNANCE Principles and Recommendations	Applied	Not ap- plied	Inappli- cable	Paragraph reference
R.36	<p>The head of the internal audit function is not responsible for any operational area. He or she depends hierarchically on the board of directors and has direct access to all information that is useful for carrying out his or her duty.</p> <p>The head of the internal audit function:</p> <ul style="list-style-type: none"> a) verifies, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the functioning and the suitability of the internal control and risk management system according to the audit plan. The audit plan is approved by the board of directors and is based on a structured process of analysis and prioritisation of the main risks; b) prepares periodic reports containing adequate information on its activity, on the ways in which risk management is conducted, as well as on compliance with the plans defined for the containment of risks. The periodic reports contain an assessment of the suitability of the internal control and risk management system; c) prepares promptly, at the request of the control body, reports on events of particular relevance; d) submits the reports referred to in letters b) and c) to the chairs of the control body, of the control and risk committee and of the board of directors, as well as to the chief executive officer, except in cases where the matter of these reports specifically concerns the activity of these subjects; e) verifies, as part of the audit plan, the reliability of the information systems, including the accounting systems. 	X			Sec. IV, Par. 1.2
R.37	<p>The member of the control body who, on his or her own behalf or on behalf of third parties, has an interest in a specific transaction of the company, provides prompt and exhaustive information to the other members of the same body and to the chair of the board of directors about the nature, terms, origin and extent of his or her interest.</p> <p>The control body and the control and risk committee promptly exchange relevant information for the performance of their respective duties. The chair or an other member of the control body designated by its chair takes part in the meetings of the control and risk committee.</p>	X			Sec. III, Par. 4.1 Sec. IV, Parr. 1.3 and 3.13

ANNEX 2

Shareholders' Meeting: role and functioning

1. Role and functions of the Shareholders' Meeting

Pursuant to the law and the Articles of Association, the Ordinary Shareholders' Meeting:

- approves the financial statements;
- appoints and dismisses the directors; appoints the statutory auditors and the Chair of the Board of Statutory Auditors, as well as the External Auditors, based on a reasoned proposal from the Board of Statutory Auditors;
- determines the remuneration of the directors and statutory auditors;
- resolves on the responsibility of the directors and statutory auditors;
- resolves on the other issues allocated by law to the Shareholders' Meeting;
- approves the regulations governing Shareholders' Meeting duties;

Pursuant to law, the Extraordinary Shareholders' Meeting adopts resolutions on:

- amendments to the Articles of Association;
- extraordinary transactions other than matters that, pursuant to the Articles of Association, are reserved to the Board of Directors.

Article 12 of the Articles of Association provides that the Board of Directors is competent to adopt resolutions on specific matters.

2. Convocation, validity and right to speak at Shareholders' Meetings

The Shareholders' Meeting is convened through a notice published on the Company's website at least 30 days prior to the Meeting date (or by another deadline specified by law for specific matters). In the case of a Shareholders' Meeting convened to elect members of the administration and control bodies using a list voting mechanism, the deadline for publishing the notice of meeting is 40 days prior to the date of the Shareholders' Meeting. The

notice of meeting sets out the applicable regulations and describes the procedure for speaking at a Shareholders' Meeting. The Shareholders' Meeting may be attended by shareholders for whom a notification certifying their entitlement has been provided to the Company by an authorised intermediary pursuant to applicable legislation, at the end of the business day on the seventh market day prior to the date set for the Shareholders' Meeting in a single call (the record date). The notification must reach Snam by the end of the third trading day prior the date set for the Meeting convened in a single call.

Those with voting rights may be represented by written proxy within the limits established by law; notice of this proxy may be given by certified email. The relevant documents shall be kept by the Company. In order to facilitate shareholders' participation in the Shareholders' Meeting, the Company, pursuant to Article 135-undecies of TUF, shall appoint a representative whom shareholders may nominate as their proxy free of charge, giving them voting instructions on some or all of the proposals relating to the agenda items.

To facilitate shareholder participation, the Articles of Association indicate that the Company must provide shareholder associations which satisfy the pertinent regulatory requirements with space to communicate and gather proxies from employee shareholders of the Company and its Subsidiaries. The terms and procedures for gathering proxies are agreed from time to time with the legal representatives of said associations.

Shareholders may ask questions on agenda items both prior to and during the Meeting. The notice of meeting shall indicate the deadline within which any questions submitted prior to the Meeting must reach the Company.⁸⁹ Questions arriving before the Shareholders' Meeting shall be answered during the Meeting. A policy statement is given in observance of the provisions governing price-sensitive information.

Shareholders that, either individually or jointly, represent at least one-fortieth of the share capital, may request, within ten days of the publication of the notice of meeting (or within another deadline provided for by law for specific matters), additions to the list of items to be discussed, indicating in their request the proposed additional items, or submit draft resolutions on items already on the agenda.

⁸⁹ Pursuant to Article 127-ter of TUF, the deadline cannot be earlier than five days prior to the date of the first or single call of the Shareholders' Meeting, or to the date indicated in Article 83-sexies, paragraph 2, TUF if the notice of meeting requires the Company to provide a response to the questions received before the Meeting. In the latter case, the answers shall be provided at least two days before the Shareholders' Meeting, including through publication in a dedicated section of the Company website and the ownership of the voting right may also be certified after the submission of the questions, but no later than the third day following the date indicated in Article 83-sexies, paragraph 2, TUF. No response is required, either before or during the Meeting, to questions deposited in advance if the information requested is already available in question-and-answer format in the section of the Company website indicated in Article 127-ter, paragraph 1-bis of TUF, or if the answer has already been published pursuant to said paragraph.

ANNEX 3

Board of Directors: Appointment, term of office and functioning

1. Appointment of the Board of Directors

(i) Overview

Article 13 of the Articles of Association provides for a list voting mechanism for the appointment of the Board of Directors, which is structured in such a way as to permit the presence on the Board of Directors of directors appointed by minority shareholders, and the allocation of directors to be elected on the basis of a criterion that ensures gender balance in the Board of Directors; in particular, Article 13 of the Articles of Association, as amended on 2 February 2021, provides that at least two-fifths of the members of the Board of Directors, or any different decimal - if higher - set forth in the applicable pro-tempore provisions, shall belong to the less-represented gender⁹⁰.

Furthermore, the Articles of Association state, with greater stringency than is required by Article 147-ter, paragraph 4 of TUF, that at least one director, if the Board of Directors is composed of no more than seven members, or at least three directors, if the Board is composed of more than seven members, must meet the independence criteria set out in the TUF⁹¹. The list voting mechanism applies only for the replacement of the entire Board of Directors. The Shareholders' Meeting may change the number of members on the Board of Directors, including during its term of office, provided that it remains within the limit of a minimum of five and a maximum of nine, as set out in the Articles of Association, making the relevant appointments. The term of office of directors thus elected shall expire with those in office.

Candidates meeting the independence requirements must be specifically indicated on the lists. All candidates must also meet the integrity requirements established by applicable legislation.

Lists may be submitted by shareholders that, either alone or together with other shareholders, represent the minimum percentage calculated pursuant to the regulations in force. Each shareholder may submit or contribute to the submission of only one list and may vote for one list only.

Lists are filed at the registered office by the twenty-fifth day prior to the date of the Shareholders' Meeting called to resolve on the appointment of members of the Board of Directors and made available to the public by the methods provided for by law and by the Issuers'

Regulations at least twenty-one days prior to the date of the Shareholders' Meeting. In addition to the lists, the following documents must also be submitted:

- a CV for each candidate;
- statements from the candidates in which they accept their candidacy and declare, assuming full responsibility, that there are no grounds for ineligibility or incompatibility, and that they satisfy all applicable integrity and independence requirements. Appointed directors must inform the Company if they cease to meet the independence and integrity requirements or if any grounds for ineligibility or incompatibility arise.

(ii) List voting mechanism

The following is a description of the procedures for appointing members of the Board of Directors through the list voting mechanism pursuant to Article 13 of the Articles of Association:

- a) a) seven-tenths of the directors to be elected are taken from the list receiving the majority of the shareholders' votes (the "Majority List") in the consecutive order in which they appear on the list, rounding down to the nearest whole number if the number is a decimal;
- b) the remaining directors shall be taken from other lists (the "Minority Lists") that may not be associated in any way, including indirectly, with shareholders that submitted or voted for the list that obtained the highest number of votes; therefore, the votes obtained by said lists are divided successively by one, two or three, depending on the progressive number of directors to be elected. The quotients thus obtained shall be assigned progressively to candidates from each of these lists, according to the order shown therein. The quotients thus assigned to candidates from the different lists shall be arranged in a single decreasing gradation. Those obtaining the highest quotients are elected. If several candidates obtain the same quotient, the candidate from the list that has not yet elected any director or that has elected the smallest number of directors will be elected. If none of these lists has yet elected a director or if all have elected the same number of directors, the candidate from the list obtaining the greatest

⁹⁰ Paragraph 1-ter of Article 147-ter of Consolidated Financial Act, which governs the appointment of directors in such a way as to ensure a gender balance, as last amended by Article 1, paragraph 302, of Law No. 160 of 27 December 2019, it provides that at least two-fifths of the elected directors must be of the less-represented gender.

⁹¹ Or, pursuant to Article 147-ter, paragraph 4 of TUF, the independence criteria required for statutory auditors pursuant to Article 148, paragraph 3 of the TUF.

number of votes shall be elected. If the voting on lists is tied and the quotient is also tied, a new vote by the entire Shareholders' Meeting shall be held, and the candidate winning a simple majority of votes shall be elected;

- b - bis) if the Majority List does not contain enough candidates to ensure that the number of directors to be elected pursuant to letter a) above can be obtained from the list, all the candidates listed will be taken from this list, according to the sequential order of the list; having then taken the other directors from the Minority Lists, pursuant to letter b) above, for the number of positions, amounting to three-tenths of the total, provided for this list, the remaining directors, for positions not covered by the Majority List, shall be taken from the list obtaining the highest number of votes among the Minority Lists (the "First Minority List") up to the capacity of this list. If there is insufficient capacity, the remaining directors will be taken, using the same procedures, from the next list (the "Second Minority List") or from any of the subsequent lists, according to the number of votes and the capacity of the lists. Lastly, if the total number of candidates included in the lists submitted, both in the Majority List and in the Minority Lists, is less than the number of directors to be elected, the remaining directors shall be elected by the shareholders' meeting by means of a resolution adopted pursuant to letter d) below;
- c) if, after applying the procedure described above, the minimum number of independent directors required by the Articles of Association is not elected, the quotient of votes to be attributed to each candidate taken from the lists is calculated by dividing the number of votes for each list by the order number of each of these candidates; non-independent candidates with the lowest quotients among the candidates taken from all the lists shall be replaced, starting from the lowest, by the independent candidates taken from the same list as the candidate being replaced (following the order in which they are listed); otherwise, they shall be replaced by persons who meet the independence criteria and appointed in accordance with the procedure described under e). If candidates taken from different lists have obtained the same quotient, the candidate from the list from which the highest number of directors has been taken shall be replaced, or, if the numbers of directors are the same, the candidate taken from the list with the fewest votes shall be replaced, or, if the number of votes is the same, the candidate who obtains the fewest votes in a dedicated resolution by the Shareholders' Meeting shall be replaced;
- d) if the procedure described under letters a) b) and b)- bis above does not allow for compliance with the provisions in the Articles of Association on gender balance, the quotient of votes to be attributed to each candidate taken from the lists shall be calculated by dividing the number of votes for each list by the order number of each of these candidates; the candidate of the more-represented gender with the lowest quotient among the candidates taken from all the lists shall be replaced, notwithstanding compliance with the minimum number of independent directors, by the candidate of the less-represented gender (with the next highest order number) taken from the same list as the replaced candidate; otherwise, the candidate shall be replaced by the person appointed in accordance with the procedure described under e). If candidates from different lists have obtained the same lowest quotient, the candidate from the list from which the greater number of directors has been taken shall be replaced, or the candidate taken from the list with the fewest votes shall be replaced, or, if the number of votes is the same, the candidate who obtains the fewest votes in a dedicated resolution by the Shareholders' Meeting shall be replaced;
- e) for the appointment of directors not appointed for any reason by the above procedures, the Shareholders' Meeting shall resolve by statutory majority to ensure that the composition of the Board of Directors is consistent both with the law and with the Articles of Association.

Additional mandatory provisions of law, including regulatory provisions, shall remain applicable in any case.

2. Term of office, termination and forfeiture

Pursuant to Article 13.2 of the Articles of Association, directors may be appointed for a period not exceeding three financial years, which term expires on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of their term of office. They may be re-elected. Pursuant to Article 13.8 of the Articles of Association, if, during the financial year, the office of one or more directors is vacated, the provisions of law shall apply.⁹² If the majority of the directors should vacate their offices, the entire Board shall be deemed to have resigned, and a Shareholders' Meeting must be called without delay by the Board of Directors in order to replace it.

Pursuant to Article 13.4 of the Articles of Association, the Board shall evaluate, on an annual basis, the

⁹² Pursuant to Article 2386 of the Italian Civil Code, if, during the financial year, one or more directors cease to hold office, the other directors will replace the director(s) in question by means of a resolution to be approved by the Board of Statutory Auditors, provided that the majority of the directors have been appointed by the Shareholders' Meeting.

independence and integrity of the directors, as well as the lack of grounds for ineligibility and incompatibility⁹³. If one of the directors does not fulfil or no longer fulfils the established independence or integrity requirements imposed by law, or if there are grounds for ineligibility or incompatibility, the Board will dismiss the director and arrange for him/her to be replaced, or will ask that he/she either removes the grounds for incompatibility within an established period of time or forfeit the office.

3. Organization and functioning of the Board of Directors

The Regulation on the functioning and organization of the Board of Directors (the “**Regulation**”) identifies, in addition to the tasks attributed to the Board, the Chair and the Secretary of the Board: (i) the procedures for convening and conducting Board meetings, including the related minutes; (ii) the preparation and provision of documentation; (iii) board evaluation and board induction activities; (iv) confidentiality obligations applicable to Board members.

3.1 Meetings of the Board of Directors

The Board of Directors is convened on the dates provided for in the financial calendar and the annual schedule of meetings approved by the Board, or in other cases provided for in the Articles of Association. The financial calendar and the annual schedule of meetings are drafted by the Chair with the assistance of the Secretary, taking into account the availability of Directors and Statutory Auditors, so as to ensure their maximum attendance at Board meetings and at the Shareholders’ Meeting, and are approved by the Board of Directors.

Pursuant to the Articles of Association and the Regulation, the Board of Directors is convened by the Chair or, if he/she is absent or unable to do so, by the CEO, or, finally, if he/she is absent or unable to do so, by the eldest Board member.

The notice of the meeting, signed by the Chair, is drafted in agreement with the Chief Executive Officer and indicates: (i) the place of the meeting; (ii) the ways in which it is possible to participate in the meeting by tele or videoconference or the different ways of participating in the meeting; (iii) the date and time of the meeting; (iv) the agenda.

The notice of meeting is sent, at the request of the Chair, by the Secretary, to the Directors and Statutory Auditors, in such a way as to ensure the confidentiality of the data and information contained therein. As a rule, it is transmitted electronically by uploading it in

the section of the digital portal to which members have restricted access or by e-mail to the address indicated by each recipient to the Secretary of the Board at least five days before the meeting and, in cases of necessity and urgency, at least 12 hours before the meeting.

At the beginning of each Board meeting, directors and statutory auditors are required to inform the Board of Directors and the Board of Statutory Auditors of any interest that they have, either on their own behalf or on behalf of third parties, in a given Company transaction.

The members of the Board of Directors must try to ensure attendance at the meeting for its entire duration. The members of the Board of Directors shall ensure an average attendance at Board meetings of not less than 80% of the meetings held during the financial year, unless there are justified reasons.

The Chair of the Board of Directors, with the help of the Secretary, ensures, in agreement with the CEO, that Company and Group executives, heads of company departments responsible for the subject matter, or other external persons, attend Board meetings, also at the request of individual Board members, to provide the necessary in-depth analyses on the items on the agenda. These parties shall leave the room at the start of the Board discussion, unless otherwise requested by the Chair, and shall comply with the confidentiality obligations set out in Article 13 of this Regulation.

Except in cases where the minutes are required by law to be drawn up by a notary public, the minutes of the meetings are taken by the Secretary of the Board, who may be assisted for this purpose by personnel from the Legal Department with specific skills in corporate law.

For the sole purpose of facilitating the taking of minutes of the meeting, the meetings of the Board of Directors, at the request of the Chair, may be audio-recorded; such recordings and any transcriptions shall be kept only until the relevant minutes are approved.

The minutes are drawn up in analytical form, reporting the speeches made during the Board discussion, summarized by the Secretary of the Board and includes, in the text attached or in the Company’s records, the documentation made available to the Board of Directors. The draft minutes prepared by the Secretary are previously submitted to the Chair and to the Chief Executive Officer who may provide any comments and observations. The draft minutes, as possibly integrated, are then submitted to all members of the Board of Directors and the Board of Statutory Auditors, who may submit comments and observations by addressing them to the Secretary. The Board normally approves the final text of the minutes at the following Board meeting.

⁹³ The grounds for incompatibility include the provisions of Article 2, paragraph 2, letter c) of the DPCM of 25 May 2012, as amended by the Prime Ministerial Decree of 15 November 2019, which provides that members of administrative or control bodies, as well as those with managerial functions at Cassa Depositi e Prestiti S.p.A., who have a direct or indirect professional or financial relationship with companies operating in the natural gas transportation or electricity transmission sector, at Snam, Terna S.p.A. and their subsidiaries operating in the natural gas transportation or electricity transmission sector, may not hold office at Eni S.p.A. or its subsidiaries, nor may they have any direct or indirect professional or financial relationship with said companies.

3.2 Documentation

The Chair, with the assistance of the Secretary, ensures that the pre-meeting information and additional information provided during meetings are suitable to enable Directors to act in an informed manner in the performance of their duties.

Documents are made available to the Directors and the Statutory Auditors by the Secretary of the Board at least five days before the date of the meeting, except in exceptional cases. It is however understood that if the information is not made available within this deadline, adequate and punctual in-depth analyses will be guaranteed during the meeting.

The documentation shall be made available in the same way as the notice of meeting.

In the event that the corporate documentation made available for the Board meeting contains inside information, at the time it is made available the Chair with the help of the Secretary shall draw attention to the privileged nature of the documentation and to compliance with the regulatory provisions in force and the procedures adopted by the Company regarding the handling and disclosure of inside information and the prevention of market abuses.

The Director designated by State Grid Europe (if and to the extent that such Director is not independent pursuant to Article 148 of Legislative Decree No. 58/1998) shall not be provided, to the fullest extent permitted by law, with information and/or documentation of Snam relating to matters on which it has a conflict of interest on behalf of State Grid Europe and/or any entity affiliated with it, in relation to business opportunities in which Snam, on the one hand, and State Grid Europe and/or any entity affiliated with it, on the other hand, have an interest and competition may exist. Furthermore, the same Director may not take part in Board of Directors' discussions concerning the aforementioned matters.

3.3 Board evaluation and board induction

The Board of Directors, with the support of the Environmental, Social & Governance Committee, carries

out, at least once a year, an evaluation of the functioning of the Board itself and its Committees. The self-assessment may be carried out in different ways during the Board's term of office and may be conducted with the support of an independent advisor.

The self-assessment shall focus on the size, composition and actual functioning of the Board of Directors and its Committees, also considering its role in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system.

Taking into account the results of the self-assessment, the Board of Directors, in view of each renewal, expresses to the shareholders a guideline on its optimal qualitative and quantitative composition. This guideline identifies the managerial and professional profiles and skills deemed necessary, also in light of the Company's sectorial characteristics and taking into account the statutory and regulatory provisions from time to time in force on gender equality.

The Chair, with the assistance of the Secretary, shall ensure that all members of the management and control bodies can take part, after their appointment and during their term of office, in initiatives aimed at providing them with adequate knowledge of the business sectors in which the Company and its subsidiaries operate, of corporate dynamics and their evolution, also with a view to the sustainable success of the Company and the Group, as well as of the principles of correct risk management and of the regulatory and self-regulatory framework of reference (so-called board induction).

3.4 Riservatezza

Directors are bound by the confidentiality obligations applicable to them by reason of their office.

Other participants in meetings are required to observe the utmost confidentiality with regard to documents, news, information and data of which they have become aware in the performance of their duties relating to the activities of the Board of Directors. The Chair invites the participants, other than Directors, to comply with this duty.

ANNEX 4

Power of the Board of Directors

Examination and approval of strategic, business and financial plans

- Defines the strategic guidelines and the objectives of the Company and the Group, including the sustainability policies
- Examines and approves, monitoring the relevant implementation, the strategic, business and financial plans of the Company and the Group, on an annual basis, as well as the Company's strategic agreements and its annual and multi-year infrastructure plan
- Examines and approves the financial statement of the Company and the consolidated financial statement, the half-year report, interim reports on operations of the Company and the consolidated ones, the Sustainability Report and the Report on Corporate Governance and Ownership Structure

Definition of corporate governance and Group structure

It defines the system and rules of corporate governance of the Company and the Group. In particular:

- Adopts rules that ensure the transparency and correctness of transactions with related parties and transactions in which directors and statutory auditors have an interest, following consultation with the CRRPTC
- Adopts a procedure for the management and communication of corporate information, with a specific focus on inside information
- Establishes internal Committees, having propositional and advisory functions, appointing their members, setting out their tasks and approving their regulations, from which it receives half-yearly reports
- Appoints and revokes the general managers and the Financial Reporting Officer, and identifies the person responsible for shareholder relations
- Ensures that the Chief Executive Officer identifies the person responsible for the structure in charge of managing relations with shareholders
- Resolves upon the exercise of voting rights at the Shareholders' Meetings of the Subsidiaries, upon proposal of the Chief Executive Officer
- Resolves, upon proposal of the ACC, on the appointments of the members of the corporate bodies of Subsidiaries included in the scope of consolidation and of strategic foreign subsidiaries
- Formulates proposals for resolutions to be submitted to the Shareholders' Meeting.

Assessment of the adequacy of the organisational, administrative and accounting structure

- Defines the basic guidelines for the organisational, administrative and accounting structure of the Company and its Subsidiaries, evaluating its adequacy on an annual basis, with a particular focus on the internal control and risk management system
- Defines, after consulting the CRRPTC, guidelines for the internal control and risk management system, in order to ensure the identification, measurement, management and monitoring of key risks, and also determining the degree of compatibility of these risks with a management of the Company and the Group consistent with the identified strategic objectives, evaluating annually their adequacy and effectiveness
- Assesses, after consulting the CRRPTC and the Board of Statutory Auditors, the results presented by the external auditors in any letter of suggestions and in the report on the fundamental questions arising from the audit
- Appoints and revokes the Head of Internal Audit, defining his/her remuneration in line with the Company's remuneration policies, and ensures that it has adequate resources to carry out its duties
- Approves, at least once a year, the Audit Plan prepared by the Internal Audit Manager

Continuous assessment of general operational performance and relations with the delegated bodies

- Assesses the general management performance, having regard to the information received from the delegated bodies, paying particular attention to situations of conflicts of interest and periodically comparing the results achieved, as stated in the financial statements and the periodic accounting statements, with those of the budget
- Assigns and revokes powers to the members of the Board of Directors, in particular the Chair and the Chief Executive Officer, identified as the Director in charge of the internal control and risk management system, defining their limits, methods of exercise and related remuneration, who report at least quarterly to the Board of Directors and the Board of Statutory Auditors on the exercise of their powers and on the most important economic and financial transactions carried out by the Company and its Subsidiaries, as well as on transactions with related parties⁹⁴
- Has the power to issue directives to the delegated bodies and take over operations falling within the scope of the delegated powers
- Examines and resolves on other issues that the directors with delegated powers deem appropriate to bring to the attention of the Board of Directors, due to their particular relevance and sensitivity

Approval of the significant transactions of Snam and the Subsidiaries

- Approves: (i) mergers in the cases referred to in Articles 2505 and 2505-bis of the Italian Civil Code, also as referred to for demergers; (ii) the establishment, modification and elimination of secondary offices; (iii) the reduction of the share capital in the event of withdrawal of shareholders; (iv) the adaptation of the Articles of Association to regulatory provisions; (v) the transfer of the registered office within the country
- Resolves, on proposal of the CEO, upon the transactions of the Company and its Subsidiaries, in the context of exercising management and coordination activities which are of significant strategic, economic, capital and financial importance for the Company and the Group. This is without prejudice, in any case, to compliance with the confidentiality obligations relating to the commercial relations between the Company and the Subsidiaries and/or third parties. Transaction are considered to be of significant strategic, economic, capital or financial importance if they concern:
 - acquisitions, alienations, divestitures, transfers of companies or business units (including rent and usufruct), real estate and/or shares worth more than 100 million euro
 - contracts for the sale of goods and/or services relating to the commercial activities of the Company and its Subsidiaries and supply contracts, worth over 1 billion euro and/or with a duration of over 15 years
 - contracts directly related to the activities indicated in the corporate purpose and/or relating to the day-to-day management of corporate activities worth over 100 million euro and/or with a duration of over 15 years
 - the stipulation, amendment and termination of credit line contracts for sums exceeding 2 billion euro and/or with a duration of over 15 years
 - the provision by the Company and Subsidiaries of loans to third parties outside Snam and Subsidiaries;
 - suretyships and other forms of personal guarantee, as well as letters of patronage, in relation to obligations assumed or to be assumed by companies in which the Company directly or indirectly holds an equity investment, for amounts greater than 100 million euro and in any case if the amount is not proportional to the investment held therein;
 - suretyships guaranteeing obligations assumed or to be assumed by the Company with third parties, worth over 100 million euro
 - the Company's brokerage contracts

⁹⁴ The disclosure shall be made promptly in the event of transactions in which the directors have an interest of their own or on behalf of third parties, or which are influenced by any entity exercising direction and coordination activities. This disclosure is normally provided for at each board meeting.

Assessment of the size, composition and functioning of the Board of Directors and the Committees

- Assesses, on an annual basis, the composition and functioning of the Board and the Board Committees, assisted by an external advisor. The aspects assessed include: (i) the role of the Board of Directors in the strategic planning process, (ii) interaction between the Board and the Committees, (iii) the quality of Board information and debate, and (iv) the qualitative and quantitative composition of the Board and the Committees, referring in particular to the relationship between the executive, non-executive and independent directors and their individual expertise and experience. For further information, please refer to Paragraph 2.13 of Section III.
- Expresses to the shareholders, when appointing the Board of Directors, guidelines on the professional figures whose presence on the Board is considered appropriate, also taking into account the results of the annual assessment on the functioning of the Board itself and its committees, as well as on their size and composition

Definition of remuneration policy

- Defines, after examining the proposals of the Remuneration Committee, the policy for the remuneration of directors, general managers and Executives with strategic responsibilities of the Company and its Subsidiaries and the compensation systems. For further information, please refer to Paragraphs 2.15 and 7 of Section III.
- Implements the remuneration plans based on shares and/or financial instruments approved by the Shareholders' Meeting
- Approves the Remuneration Report and assesses, subject to the necessary opinion of the Remuneration Committee, the content of the vote on the Remuneration Report cast by the Shareholders' Meeting and the Committee's proposals on the adequacy, overall consistency and application of the Remuneration Policy for Directors and Executives with strategic responsibilities adopted

ANNEX 5

Guidelines from the Snam Board of Directors to Shareholders on the future size and composition of the Board of Directors

Purpose and process followed

Pursuant to the recommendations of the Corporate Governance Code, in view of the scheduled renewal of the corporate bodies at the Shareholders' Meeting of 27 April 2022, the Board of Directors of Snam, following consultation with the Appointments Committee, has produced some considerations on the future size and composition of the Board of Directors, to be submitted to Shareholders.

These considerations – which take into account the results of the annual self-assessment process of the Board and its Committees, carried out with the support of the Environmental, Social & Governance Committee – are the result of analyses carried out by the corporate bodies according to the following procedure:

- the support of Spencer Stuart, the advisor assisting with the annual self-assessment, which, in addition to incorporating and valorizing the inputs of the outgoing Directors, having considered key elements of internal governance, Recommendations and relevant Regulation, has carried out a benchmarking exercise on the composition and size of the Boards of Directors of the main companies listed in Italy comparable to Snam;
- the proposed Guidelines submitted to the Board of Directors, prepared by the Appointments Committee;
- the approval of the Guidelines by the current Board of Directors at its meeting of 17 February 2022;
- the dissemination of this document to the market, ahead of the legal deadlines, to allow shareholders to conduct their own reflections in view of the appointment of Snam's new Board of Directors for the three-year period 2022-2024.

For the sake of completeness and for the benefit of the shareholders, the guidelines of the Board of Directors on the maximum number of offices held by directors, approved by the Board at its meeting of 17 February 2022, are also set out in this document.

Preliminary considerations

Firstly, the Board suggests ensuring, in line with corporate governance constraints and rules, an adequate continuity in the composition of the administrative body, in order to enhance the wealth of knowledge of Snam acquired by the directors, which is necessary to pursue and support the current phase of development of a well-structured and complex group which, through a sustainable and technologically advanced network, guarantees supply security and enables our Country's energy transition.

In the future composition of the Board of Directors it is deemed necessary to give adequate visibility to key criteria for Snam such as gender, age, length of time in office, complementarity of professional and managerial experience.

In view of the Group's exposure and the importance of the energy market, including at international level, appropriate consideration has been given to including Directors with an international vocation and/or experience. However, international experience does not necessarily mean the possession of citizenship other than Italian, but rather significant professional experience abroad and/or in relevant positions in companies with high international exposure.

Size of the Board of Directors

The Board of Directors, aware of Snam's size and organizational complexity and of the positive operating dynamics emerged over the past three years, assesses positively the current size of the Board of Directors of nine Directors, the maximum provided for by the current Articles of Association and considered appropriate to allow an effective ability to work collectively, as well as an adequate composition of the Board Committees established.

Considering the governance and characteristics of the activities carried out by Snam, it also considers the current ratio between Executive Directors, Non-Executive Non-Independent Directors and Non-Executive and Independent Directors to be adequate.

Composition of the Board of Directors

The future composition must take into account the current and prospective needs of the company, as well as the need to maintain an adequate diversity of gender, age and seniority, taking into account applicable legislative and regulatory provisions. Snam considers diversity as a value that contributes positively to the effectiveness of the actions of corporate bodies.

In the composition of the administration, management and control bodies, Snam pursues the goal of integrating different profiles, thereby recognizing, for the proper functioning of the bodies, the importance of a complementarity of experience and skills, to be combined with gender and age diversity. Among the values embraced, Snam positively considers diversity of nationality and ethnic origin.

Shareholders are therefore invited, when preparing slates of candidate Directors, to ensure compliance with the requirements of Article 13 of the Articles of Association,

including those on gender balance, which reserve at least two-fifths of the elected Directors to the less represented gender, as well as to take into account the benefits that may arise from the presence of different age and length of service on the Board of Directors.

The present Guideline opinion includes, inter alia, the professionalism and independence characteristics of the candidates, taking into account that their authority and competence must be commensurate with the tasks that the Directors are called upon to perform, also in light of the size and complexity of the Company, its business objectives and strategic vision.

With reference to the profiles of particular importance, the Snam Board of Directors indicates the main characteristics of the individuals called upon to fill the role of:

The Chair of the Board of Directors:

- should be a guarantee figure for all shareholders, capable of promoting team work and cohesion among the members of the Board of Directors;
- is expected to have adequate knowledge of corporate governance applicable to a listed company in Italy and to have already held such a position in companies of relevance and dimension comparable to Snam;
- should understand the non-executive nature of the role (and adhere to it) and the natural complementarity with the CEO, which leads to a cohesive and effective top management team, while respecting their respective roles.

The Chief Executive Officer

- should be a professional with wide-ranging delegated powers, a head of a company, with leadership skills and recognised strategic vision and ability;
- should have solid experience in managing complex industrial entities and should have developed significant and successful managerial experience in similar executive roles at top of large listed companies of a comparable structure and high complexity to Snam;
- should preferably have an in-depth knowledge and experience in the energy and infrastructure business, with specific reference to issues related to energy transition, climate change and technological innovation;
- should ideally possess a solid expertise in economic-financial and operational control of large complex activities;
- should also have relational skills and the credibility to interact with institutions both in Italy and internationally.

The Board of Directors suggests that with regard to the other Directors:

- they should all be Non-Executive Directors;

- at least five of them should meet the independence requirements established by law and by the Corporate Governance Code, in order to be able to effectively set up Board Committees;
- they should have the capacity for in-depth analysis and the ability to establish a dialectical relationship with management;
- they should be able to express their opinions with autonomous judgement and substantial independence;
- in the context of their respective experiences, they should have given proof to possess the following aptitudes:
 - ability to work in team;
 - balance in seeking consensus;
 - personal role awareness;
 - ability to manage conflicts in a constructive way;
 - ability to work with the management;
- they should ensure complementarity of diverse competences to promote good debate and appropriate board discussion.

With reference to the latter point, the suggested matrix skill is that candidates for the role of Director should preferably possess one or more of the following distinctive skills and professional characteristics:

- experience in the energy business and/or specific sectors in which Snam operates (energy efficiency services, renewable energy, gas supply, infrastructure, etc.), acquired in leading institutions and/or businesses in the energy sector;
- high level of seniority managerial experience capable of interacting with top management, preferably gained in corporate contexts characterised by strategic development, transformation and extraordinary operations;
- proven expertise in finance, budgeting and risk management, with particular experience in extraordinary transactions, M&A and investments in relation to business development opportunities for external lines;
- expertise in Environmental, Social & Governance, with primary focus on social responsibility and climate change, useful to undertake and support the initiatives launched in this area by the Company;
- proven legal knowledge, with particular regard to the monitoring of regulatory issues and internal and international contracts, preferably with experience in extraordinary operations;
- proven experience in the governance of listed companies, gained in many years of positions on the corporate bodies of listed companies, possibly operating in regulated sectors, in order to enrich the Snam Board with specific skills.

For all Board members, including the Chair and CEO, the following are important and complementary to the above: authority, personal standing and strong communication skills.

Availability

All candidates Directors, when accepting their candidacy, must have carefully assessed and assured the shareholders proposing them that they will be available for the time required for the diligent performance of their responsibilities and duties, taking into account both the number and quality of the offices held on the boards of directors and/or boards of statutory auditors of other companies permitted under the “Guidelines of the Board of Directors on the maximum number of offices” set out below, and the commitment required of them by their additional work and professional activities.

It should be noted, for information purposes only, that in 2021, 13 meetings of the Board of Directors, 15 meetings of the Control and Risk and Related-Party Transactions Committee, 16 meetings of both the Remuneration and ESG Committees and 8 meetings of the Appointments Committee were held.

Guidelines of the Board of Directors on the maximum number of offices that can be held by directors

At its meeting of 17 February 2022, Snam’s Board of Directors, on the recommendation of the Appointments Committee, approved guidelines on the maximum number of offices that can be held by directors.

Executive and non-executive directors:

(i) an executive director should not hold:

- a) an executive director position at another Italian or foreign listed company, or a company with net assets or consolidated annual turnover of more than €500 million or an equivalent amount if the company uses a different currency;

- b) the office of non-executive director or statutory auditor (or member of another control body) at more than three of the companies listed under sub (i), letter a) above. Furthermore, in the case of the CEO, they may not accept the office of director of another issuer not belonging to the same group, whose CEO is another director of the Company;

(ii) non-executive directors (including independent directors) must not, in addition to the position held at the Company, hold:

- a) an executive director office at more than one Italian or foreign listed companies, or companies with net assets or consolidated annual turnover of more than €500 million or an equivalent amount if the company uses a different currency, or the office of non-executive director or statutory auditor (or member of another control body) at more than three of the above companies; or
- b) the office of non-executive director or statutory auditor (or member of another control body) at more than four of the companies listed under sub (ii), letter a) above.

For the purposes of calculating the maximum number of offices, positions held within Snam and its Subsidiaries and on Snam’s Committees are not relevant.

The Board, in the assessments of each subjective position, to be carried out in the interest of the Company, may take into account the specific circumstances and professional commitments (not limited to the holding of office) of the individual Director, both to allow for any exemptions from the limits of offices, and to provide for any reduction of the maximum number of offices that can be held. If appropriate, the Board of Directors will invite the Director to take the consequent decisions.

The expected participation of individual Directors in the meetings of the Board of Directors and Board Committees during the financial year shall not be less than 80%, unless justified.

ANNEX 6

Chair of the Board of Directors: role

In accordance with the powers assigned by law and the regulatory framework, the Chair is the non-executive figure of guarantee who ensures and promotes the proper functioning and continuous improvement of corporate governance rules.

The powers of the Chair of the Board of Directors are as follows:

- pursuant to Article 2381, paragraph 1, of the Italian Civil Code, the Chair of the Board of Directors convenes meetings of the Board of Directors, sets the agenda with the agreement of the Chief Executive Officer, coordinates its work supervising its proper functioning and ensures that directors are provided with adequate information on agenda items;
- the Chair of the Board of Directors verifies the implementation of the Board's resolutions;
- pursuant to Article 19 of the Articles of Association, the Chair has powers to represent the Company in respect of any legal or administrative authority and in respect of third parties, and also has powers of signature, with the agreement and in coordination with the Chief Executive Officer; any undertaking on behalf of the Company shall be agreed in advance;
- pursuant to Article 14.2 of the Articles of Association, the Chair of the Board of Directors: (i) chairs the Shareholders' Meeting, fulfilling the duties assigned by law and by the meeting regulations, and ensuring on this occasion the relations with the shareholders and the competent authorities and the proper course of the Shareholders' Meeting; (ii) convenes and chairs, sets the agenda for and coordinates the work of meetings of the Board of Directors; and (iii) ensures that the directors are provided with adequate information on the items on the agenda;
- pursuant to Article 16.1, paragraph 2 of the Articles of Association, the Board of Directors, on the recommendation of its Chair, with the CEO's agreement, may also delegate responsibility for individual acts or categories of acts to other members of the Board of Directors. The Chair and the CEO, within the limits of the powers attributed to them, may delegate responsibilities and powers of representation of the Company for individual acts or categories of acts to employees of the Company and also to third parties;
- pursuant to Article 16.2 of the Articles of Association, the Board of Directors, on the CEO's recommendation with the Chair's agreement, may appoint one or more General Managers, defining their powers, having first ascertained that they meet the legally prescribed requirements for integrity;
- pursuant to Article 16.4, paragraph 1 of the Articles of Association, the Board of Directors, on the CEO's recommendation with the Chair's agreement, and with the prior approval of the Board of Statutory Auditors, may appoint the Financial Reporting Officer;
- the Board of Directors, on the recommendation of the CEO, with the agreement of the Chair of the Board of Directors, having received the approval of the Control and Risk Committee and following consultation with the Board of Statutory Auditors, appoints and dismisses the Head of Internal Audit and, following prior verification with the Remuneration Committee, sets their remuneration in line with the Company's remuneration policy; ensures that they are given the appropriate resources to fulfil their responsibilities;
- pursuant to the Appointments Committee Regulation, on the recommendation of the CEO and approval from the Chair of the Board of Directors, it submits to the Board candidates for the corporate bodies of the Subsidiaries included in the scope of consolidation and of strategic foreign investee companies;
- pursuant to Article 3.1.2. of the Company's 231 Model, the composition of, and changes and additions to, the Supervisory Body have been approved by resolution of the Board of Directors, after consultation with the Control and Risk Committee and the Board of Statutory Auditors, on the CEO's recommendation with the agreement of the Chair of the Board of Directors;
- the Chair of the Board of Directors promotes the activities of the Committees and coordinates and avails himself of: (i) the secretary of the Board of Directors, for Board inductions and Board evaluations and all activities relating to the Shareholders' Meeting, the Board of Directors, the Committees and - insofar as necessary - the control body; and (ii) the Head of Internal Audit, for activities within the purview of the Internal Audit function, which reports to the Board of Directors;
- the Chair of the Board of Directors also performs the further duties indicated in the Corporate Governance Code approved by the Corporate Governance Committee relating to the role of the Chair of the Board of Directors;
- in representing the Company, including by means of the relevant communications, the Chair of the Board of Directors is assisted by the director of institutional relations and communication (EVP Government Affairs, Corporate Social Responsibility and Communications);
- the Chair of the Board of Directors and the Chief Executive Officer mutually authorise the expenses incurred;
- the Chair of the Board of Directors initiates and supervises the application of the corporate governance rules concerning the activities and functioning of the corporate bodies.

Furthermore, in accordance with the Engagement Policy (see Paragraph 6.1, Section III of this Report), the Chair - in coordination with the Chief Executive Officer, the Investor Relator and the Secretary - evaluates the identification of the Directors to be involved in the dialogue and informs the Board of Directors of the development and significant contents of each dialogue within the first useful meeting, as well as - in agreement with the ESG Committee - submitting to the Board any proposals to modify or integrate the Engagement Policy.

ANNEX 7

Board committees: Functions

Control and Risk and Related-Party Transactions Committee

The CRRPTC, in supporting the Board of Directors, performs the following functions:

- a) evaluates, with the agreement of the Financial Reporting Officer, the External Auditors and the Board of Statutory Auditors, the proper use of accounting standards and their consistency for the purposes of preparing the consolidated financial statements;
 - b) assesses the suitability of periodic financial and non-financial information to correctly represent the Company's business model, strategies, the impact of its activities and the performance achieved, in coordination with the Company's ESGETSC;
 - c) examines the content of periodic non-financial information relevant to the internal control and risk management system;
 - d) issues opinions on specific aspects relating to the identification of the main risks faced by the Company and supports the evaluations and decisions of the Board of Directors relating to the management of risks arising from prejudicial events of which the Board of Directors has become aware;
 - e) examines the periodic reports as well as those of particular importance prepared by the Senior Vice President Internal Audit;
 - f) monitors the independence, suitability, effectiveness and efficiency of the Internal Audit function;
 - g) may entrusts the Senior Vice President Internal Audit conduct inspections of specific operational areas, giving notice of this to the Chair of the Board of Statutory Auditors, the Chair of the Board of Directors and the CEO;
 - h) expresses its opinion on proposals made by the Director in charge of the internal control and risk management system, in agreement with the Chair, to the Board of Directors: (i) relating to the appointment, dismissal and remuneration of the Senior Vice President Internal Audit, in line with the Company's remuneration policies, (ii) intended to ensure that this person has adequate resources to fulfil his/her duties;
 - i) adopts the appropriate initiatives in the event that it receives news and/or information from the CEO regarding problems and critical issues that have emerged in the performance of the activities of the latter, as the person in charge of setting up and maintaining the internal control and risk management system, or of which the CEO has become aware.
- The Committee also supports the Board of Directors in order to:
- a) define the guidelines for the internal control and risk management system, including the medium- and long-term risks – in line with the Company's strategies – so that the main risks – including, in coordination with the ESGETSC, those risks that may be relevant in terms of sustainability, including for the purposes of preparing non-financial information – concerning the Company and its Subsidiaries are correctly identified and adequately measured, managed and monitored, as well as determine the degree of compatibility of such risks with management that is consistent with the strategic objectives identified;
 - b) periodically evaluate, at least annually, the adequacy and effectiveness of the internal control and risk management system with respect to the characteristics of the Company and the risk profile it has adopted;
 - c) periodically approve, at least once a year, the Audit Plan prepared by the Senior Vice President Internal Audit, after having consulted the Board of Statutory Auditors and the CEO;
 - d) assess the appropriateness of adopting measures to ensure the effectiveness and impartiality of judgement of the other corporate functions involved in controls (such as risk management, legal risk and non-compliance monitoring functions), verifying that these functions have adequate professionalism and resources;
 - e) decide on the composition, amendments and additions to the supervisory body pursuant to Article 6(1)(b) of Legislative Decree no. 231/2001
 - f) describe, in the Report on Corporate Governance and Ownership Structure, the main features of the internal control and risk management system of the coordination procedures between the actors involved, with an indication of the models and relevant national and international best practices, as well as the overall evaluation on the adequacy of the system and the information on the decisions made on the composition of the supervisory body referred to in the previous point;
 - g) evaluate, after consulting the Board of Auditors, the conclusions presented by the External Auditors in the possible letter of suggestions and in the additional report to the statutory auditors.

The Committee also performs the additional tasks assigned to it by the Board of Directors on transactions with interests of directors and statutory auditors and transactions with related parties, in accordance with the terms and procedures indicated in the “Transactions with Interests of Directors and Statutory Auditors and Related Parties Transactions” Guidelines.

Appointments and Compensation Committee

The Committee conducts, first and foremost, preliminary investigations for the Board of Directors and provides it with advice and recommendations on the composition and size of the Board of Directors and on equal treatment and opportunities among genders.

In particular:

- a) it helps the Board of Directors define the optimal composition of the Board of Directors itself and its internal committees, to be communicated to the Shareholders at the appointment of the Board of Directors, in view of the preparation, by the Board of Directors each time it is due for renewal, of guidelines on the quantitative and qualitative composition of the Board deemed optimal, taking into account the self-assessment results;
- b) it helps the Board identify candidates for the position of director, should the office of one or more directors be vacated during the year (art. 2386, subsection 1 of the Italian Civil Code), ensuring compliance with the requirements for the minimum number of independent directors and for the quota reserved for the less represented gender;
- c) it proposes to the Board of Directors the plan for the succession of the CEO and any other executive directors, setting out at least the procedures to be followed in the event of the early termination of the office (contingency plan);
- d) at the proposal of the CEO, in agreement with the Chairman of the Board of Directors, it submits to the Board of Directors the candidacies for the administrative bodies of subsidiaries included in the consolidation area, other investee companies considered strategic by the Board of Directors and foundations of which the Company is the founding partner.

The proposal formulated by the Committee is necessary.

In order to support the process of identifying candidacies:

1. in January and July of each calendar year a plan is submitted to the Committee detailing the appointments that will be submitted to it for review during the half year;

2. during the year, before the call notice of each Committee meeting to examine the proposed candidacies is submitted for the Chairman's signature, the names and curricula vitae of the candidates are submitted for the attention of the Chairman who examines these proposals and may, where deemed necessary, request meetings and interviews with the candidates.

The candidacies brought to the attention of the Committee must comply with the requirements laid down in Annex B “Designation of members of the administrative and control bodies of the investee companies” of the “Corporate Governance and Unbundling” Guidelines adopted by the Board of Directors and in force at the time, that require the assessment of: (i) the technical-professional skills; (ii) managerial experience gained and company role, also in relation to the context in which the company whose members are being appointed operates; (iii) the commitment required to fulfil duties, in relation to positions previously held; (iv) the advisability of rotation in the positions; (v) representation of the less represented gender;

- e) periodically and, in any case, at least once a year, it analyses the identification of the strategic investee companies and, where deemed appropriate, makes proposals to the Board of Directors;
- f) it examines the candidacies for the appointment of the Senior Vice President of Internal Audit, giving the Board of Directors its opinion; the review of the candidacies is carried out, where deemed appropriate, in meetings with the candidates held by the Chairman together with the Chairman of the CRRPTC. The Chairman of the Board of Statutory Auditors is invited to these meetings;
- g) it prepares and proposes:
 - directives on the maximum number of offices in administration or control bodies in other listed companies or of a significant size that can be compatible with an effective performance of the office required by the role of Company director, considering the commitment involved;
 - criteria for assessing both the requirements of professionalism and independence of the Board members of Snam and its Subsidiaries and the competing activities performed;
- h) it examines and assesses the methodologies that govern the preparation of succession plans of executives with strategic responsibilities of the Company;
- i) within the scope of the diversity and inclusion policies adopted by the Company, including those aimed at reducing the pay gap and promoting professional equality, it ensures their implementation (adoption), with reference to the activities within its remit and monitors their effective implementation.

The Committee shall also conduct preliminary investigations for the Board of Directors on remuneration and provide it with advice and recommendations, and in particular:

- a) it assists the Board of Directors in the preparation of the remuneration policy for directors, general managers, executives with strategic responsibilities and, without prejudice to the provisions of article 2402 of the Italian Civil Code, members of the control body ("Remuneration Policy"), also taking into account the remuneration practices widespread in the reference sectors and for companies of similar size, also considering comparable foreign experiences, with the possible support of an independent consultant;
- b) it reviews the vote on the Remuneration Report taken by the Shareholders' Meeting in the current financial year and expresses an opinion to the Board of Directors;
- c) it makes proposals on the remuneration of the Chairman of the Board of Directors, the CEO or any additional directors who hold specific offices, with regard to the various forms of remuneration and economic treatment, including the setting of performance objectives related to the variable component of this remuneration, where applicable;
- d) it supports the Board of Directors in deciding the remuneration of the members of the committees established within the Board of Directors;
- e) it examines information reported by the CEO and proposes, with a view to promoting sustainable value creation over the medium/long-term:
 - the general criteria for the remuneration of Executives with strategic responsibilities;
 - general guidelines for the remuneration of other Executives of Snam and its subsidiaries;
 - annual and long-term incentive plans, including share-based plans;
- f) it proposes the definition of performance targets (in agreement with the ESGETSC as concerns the identification of those that include indicators relating to ESG factors), the final accounting of company results and the definition of clawback clauses related to the implementation of incentive plans;
- g) it proposes the definition, in relation to Directors with powers: i) of the indemnification to be paid in the event of termination of their employment; ii) of the non-competition agreements;
- h) it periodically evaluates the adequacy, overall consistency and practical application of the Remuneration Policy by preparing proposals on this subject to the Board, verifying, in particular, the actual

achievement of performance targets relating to the variable component of remuneration;

- i) it performs any duties that may be required by the Guideline concerning related-party transactions adopted by the Company in the case of transactions relating to the remuneration of Snam Directors and Executives with strategic responsibilities;
- j) it proposes to the Board of Directors, subject to the favourable opinion of the CRRPTC and having consulted the Board of Statutory Auditors, temporary derogations from the content of the Remuneration Policy, in compliance with the provisions of art. 123-ter, subsection 3-bis, of Legislative Decree 58/98;
- k) it reports on the exercising of its functions to the Shareholders' Meeting convened to approve the separate financial statements for the year, through the Chairman or another member appointed by the latter;
- l) it monitors the application of decisions made by the Board of Directors with regard to the resolutions passed by the same following the exercise of the Committee's proposal making, consultative and fact-finding duties.

Environmental, Social & Governance & Governance and Energy Transition Scenarios Committee

The ESGETSC conducts preliminary investigations for the Board of Directors on matters of sustainability and long-term energy transition scenarios, using the term to mean all processes, initiatives and activities aimed at overseeing the Company's commitment to sustainable development throughout the value chain, with particular reference to: matters of climate transition and technological innovation; access to energy and energy sustainability; environment and energy efficiency; health, wellness and safety of people and local communities; respect and protection of rights, particularly human rights; integrity and transparency; diversity and inclusion and corporate governance.

For that purpose, it fosters the continuous integration of national and international best practices into the corporate governance of Snam, and environmental, social and governance matters into the company's strategies, so as to pursue sustainable success, which takes the form of long-term value creation to benefit shareholders, taking into account the interests of other stakeholders relevant for the company.

The committee, in particular, shall have the following functions:

- a) it monitors the alignment of the corporate governance system with the law, the Corporate Governance Code and national and international best practices, making proposals to the Board of Directors;

- b) at the request of the Board of Directors, it supports the latter when reasoned proposals need to be drafted for submission to the Shareholders' Meeting on the following topics: (i) choice and characteristics of the corporate model; (ii) structure of the administrative and ownership rights of shares; (iii) percentages established for the exercise of the prerogatives set up to safeguard minority shareholders;
- c) it prepares the board review activities, submitting the related proposals to the Board of Directors;
- d) it draws up and proposes diversity policies to the Board of Directors as specified in letter d-bis of article 123-bis of the CLF;
- e) it examines the Company's policies on human rights, business ethics and integrity, diversity and inclusion;
- f) it monitors international initiatives on environmental, social and governance matters and the Company's participation in them, in order to consolidate the company's international reputation;
- g) it examines the policy for managing dialogue with all shareholders, formulated on the proposal of the Chairman of the Board of Directors in agreement with the CEO, as well as the periodic check of the correct application of such policy, where adopted.
- The Committee also supports the Board of Directors in the analysis of relevant issues for the long-term generation of value for the purposes of the Board of Directors' examination and approval of the Company's and Group's strategic plan, and in particular it examines:
- a) the long-term energy transition scenarios for the preparation of the strategic plan, with respect to the short and medium-term scenarios prepared with the participation of Snam and published pursuant to applicable laws and regulations, expressing an opinion to the Board of Directors;
- b) matters relating to energy transition (regarding, specifically, the use of resources and energy sources that are compatible with environmental protection and progressive decarbonisation, examining in particular the initiatives undertaken by the Company to address issues raised by climate change and the relative reporting), technological innovation and circular economy;
- c) matters relating to sustainable finance initiatives, by monitoring the Company's position on sustainability issues compared with that of the financial markets, with particular reference to annual reporting on new sustainable finance instruments as well as the Company's placement in the ethical sustainability indices;
- d) the policies to integrate environmental, social and governance issues into the business model, including through the analysis of the relative KPIs;
- e) the approaches, objectives and consequent processes regarding sustainability and the sustainability reporting submitted annually to the Board of Directors (including the nonfinancial statement);
- f) the correct use of the standards adopted in order to prepare the non-financial information and the document to be submitted for the approval of the Board of Directors including, and liaising with the CRRPTC, the reporting of risks relating to ESG factors in the medium/long-term;
- g) proposals and/or opinions relating to the definition and calculation of performance targets which include indicators relating to ESG factors, in coordination with the ACC;
- h) the profit and non-profit strategy and its implementation, also in relation to individual projects, coherently with the activities of Fondazione Snam, by means of the non-profit plan submitted annually to the Board, the non-profit initiatives submitted to the Board, as well as the Company's gas & energy transition advocacy initiatives.
- The Committee, in addition, shall express, at the request of the Board, an opinion on other environmental, social, governance and energy transition issues.

ANNEX 8

Board of Statutory Auditors: appointment and functions

1. Meetings of the Board of Statutory Auditors

Overview

Pursuant to Article 20 of the Articles of Association, Snam's Board of Statutory Auditors is composed of three standing auditors and three alternates appointed by the Shareholders' Meeting for three financial years. They may be re-elected at the end of their term of office.

Statutory auditors are chosen from among persons who meet the professionalism and integrity requirements indicated in Ministry of Justice Decree No. 162 of 30 March 2000. For the purposes of the aforementioned decree, the subjects strictly related to the Company's activities are: commercial law, business economics, corporate finance. Likewise, the sector pertaining strictly to the Company's business is the engineering and geology sector.

Statutory auditors may not hold more than the maximum number of positions permitted by the applicable legislation. In any event, pursuant to Article 2, paragraph 2, letter c) of the DPCM 2012, as amended by the Prime Ministerial Decree of 15 November 2019, the statutory auditors may not be members of the administrative or control bodies, or hold senior management positions, at Eni S.p.A. and its subsidiaries, nor may they have any direct or indirect professional or financial relationship with said companies.

As per the provisions laid down for the Board of Directors and in accordance with the applicable provisions, the Articles of Association provide that the statutory auditors must be appointed by list voting, unless they are replaced during their term of office. Furthermore, Article 20 of the Articles of Association – as amended on 23 October 2019 – provides that one standing auditor and one alternate auditor shall belong to the less-represented gender .

In the lists submitted by shareholders, the candidates must be listed by consecutive number and their number must not be greater than the number of members of the body to be elected. The rules for filing, submitting and

publishing the lists are the same as for the election of directors (see Section III, Paragraph 2.1). Each shareholder may submit or be involved in submitting only one list and may vote on only one list, according to the terms laid down in the applicable legislative and regulatory provisions.

Only shareholders that, alone or together with other shareholders, represent at least 2% or are collectively holders of the different shareholding in the share capital set by applicable legislation. Each candidate may appear on only one list; otherwise their candidacy is declared void.

Lists are divided into two sections: the first for candidates for the office of standing auditor, and the second for candidates for the office of alternate auditor. At least the first candidate in each section must be included in the Register of Auditors and must have a minimum of three years' experience as an external auditor.

In order to comply with the applicable law on gender balance, lists with candidates for both sections which contain three or more candidates submitted for the appointment of the majority of the Board of Statutory Auditors' members must contain candidates of each gender in the section for the appointment of standing auditors, in accordance with the notice of meeting of the Shareholders' Meeting. Where the list contains only two candidates, one must be male and the other female.

Lists for appointing statutory auditors, together with information on the candidates and information on the identity of the shareholders submitting said lists and the percentage equity interest owned, must be made available to the public in the form provided for by the applicable legislation. Additional mandatory provisions of law, including regulatory provisions, shall remain applicable in any case.

List voting mechanism

The procedure for appointing the Board of Statutory Auditors by list voting mechanism, as provided for by Article 20 of the Articles of Association, is described below.

Two standing auditors and two alternates auditor are taken from the list that obtains the majority of the

⁹⁵ Il comma 1-bis dell'art. 148 TUF, che disciplina il riparto dei sindaci in modo tale da garantire l'equilibrio tra i generi, come da ultimo modificato dall'art. 1, comma 303, della L. n. 160 del 27 dicembre 2019, prevede che il genere meno rappresentato ottenga almeno due quinti dei membri effettivi eletti. Ai sensi dell'art. 144-undecies.1 del Regolamento Emittenti, qualora dall'applicazione del criterio di riparto tra generi non risulti un numero intero di componenti degli organi di amministrazione o controllo appartenenti al genere meno rappresentato, tale numero è arrotondato per eccesso all'unità superiore, ad eccezione degli organi sociali formati da tre componenti per i quali l'arrotondamento avviene per difetto all'unità inferiore.

votes. The other standing auditor, who will assume the role of Chair, and the other alternate auditor are appointed according to the methods laid down in Article 13.5, letter b) of the Articles of Association for the election of directors, which are to be applied separately to each of the sections into which the other lists are divided.

In the event that, *mutatis mutandis*, a situation analogous to that provided for in Article 13.5, letter b-bis) of the Articles of Association should arise, the procedures indicated in letter b- bis) shall apply, both for standing auditors and for alternate auditors, insofar as they are compatible with current legislation and with the provisions of the aforementioned Article 20 of the Articles of Association.

Where following the above procedure fails to ensure compliance with the criterion for gender balance for standing auditors provided in Article 20 of the Articles of Association, the quotient of votes to be attributed to each candidate taken from the standing auditor sections of the different lists shall be calculated by dividing the number of votes for each list by the order number of each of these candidates; the candidate of the more-represented gender with the lowest quotient among the candidates taken from all the lists shall be replaced by the candidate of the less-represented gender (with the highest consecutive number) from the same standing auditor section of the list of the replaced candidate, or, failing this, from the alternate auditor section of the same list as the replaced candidate (who, in this case, takes the place of the alternate auditor that he/she has just been replaced by). If this fails to ensure compliance with the law on gender balance, the candidate is replaced by the person appointed by statutory majority at the Shareholders' Meeting, in such a way as to ensure that the composition of the Board of Statutory Auditors complies with the law and the Articles of Association.

Where candidates from different lists have obtained the same quotient, the candidate from the list from which the greater number of statutory auditors has been taken shall be replaced, or, the candidate taken from the list with the fewest votes shall be replaced, or, if the number of votes is the same, the candidate who receives the fewest votes in a dedicated resolution by the Shareholders' Meeting shall be replaced.

If the auditor drawn from the minority lists is replaced, the alternate auditor drawn from the latter takes over.

In the event of the replacement of a statutory auditor from the list obtaining the majority of the votes, he/she is replaced by the alternate auditor from the same list; if the replacement does not allow the observance of the gender quotas criterion laid down in the Articles of Association,

the second alternate auditor taken from the same list takes over.

The list voting procedure only applies in the event of renewal of the entire Board of Statutory Auditors.

2. Functions

Pursuant to Article 149, paragraph 1, of TUF, the Board of Statutory Auditors oversees:

- compliance with the law and with the deed of incorporation;
- respect for the principles of proper administration;
- the adequacy of the Company's organisational structure in relation to its remit, the internal control system and the administrative and accounting systems, as well as the reliability of the latter in properly representing operational events;
- procedures for the implementation of the rules established by the Corporate Governance Code;
- the adequacy of the Company's instructions to its Subsidiaries pursuant to Article 114, paragraph 2, of TUF.

Pursuant to Article 19 of Legislative Decree No. 39 of 27 January 2010, as amended by Legislative Decree No. 135 of 17 July 2016, the Board of Statutory Auditors also performs supervisory functions in its capacity as the Internal Control and Audit Committee, overseeing in particular:

- the financial reporting process;
- the effectiveness of the internal control, internal audit and, if applicable, risk management systems;
- the independent audit of the annual financial statements and consolidated financial statements;
- the independence of the External Auditors, particularly with regard to the provision of non-audit services to the entity subject to audit.

Following notification of the Chair of the Board of Directors, the Board of Statutory Auditors may call Shareholders' Meetings and Board of Directors' meetings. The power to convene meetings of the Board of Directors may be exercised individually by each member of the Board of Statutory Auditors; the power to convene Shareholders' Meetings must be exercised by at least two members of the Board of Statutory Auditors.



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Snam

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Per informazioni
Snam S.p.A.
Piazza Santa Barbara, 7
20097 San Donato Milanese (MI)

www.snam.it

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