



REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE **2023**



Snam is Europe's leading operator in natural gas transport, with a network of approximately 38,000 km in Italy and abroad. The company also deals with storage, of which it holds more than 17% of the European capacity, and regasification, with 13.5 billion cubic meters of gas per year that will rise to 18.5 billion cubic meters to 2025 thanks to the plant in Ravenna. Its medium-long term ambition is to develop and consolidate a system of *energy infrastructure for a sustainable future*, positioning itself as a multi-molecule operator at national and European level, focusing on innovation and enhancing the role of gas as a transition vector. Snam is among the leading Italian listed companies by market capitalisation.

With its 80 years of experience in the construction and management of infrastructure, Snam ensures supply security and promotes the energy transition through investments in green gases (biomethane and hydrogen), energy efficiency, and CCS (Carbon Capture and Storage) technology. The company also creates new green areas through a benefit corporation focused on urban afforestation projects.

Snam also aims to reduce direct greenhouse gas emissions by 25% by 2027, 40% by 2030, and 50% by 2032, reaching carbon neutrality (100%) by 2040. This will involve offsetting emissions that cannot be eliminated through selected offset projects, engaging affiliated companies and suppliers. Snam also aims to achieve net-zero emissions on all fronts, including indirect ones, by 2050. The Group is actively working on reducing natural gas emissions on its assets. In 2023, Snam achieved a -55% reduction compared to 2015 and has set a target of -64% by 2027.

The company's business model is based on sustainable growth, transparency, the enhancement of talents and diversity, and the social protection and development of territories



REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE **2023**

Pursuant to Article 123-bis
of Legislative Decree No. 58
of 24 February 1998

Issuer: Snam S.p.A.

Website: www.snam.it

Year to which the
Report refers: 2023

Date of approval
of the Report: 13 March 2024



Introduction

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 2023 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 stakeholders, including 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 related to this document:

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Corporate Affairs

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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 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. This name was changed to “Sustainability and Energy Transition Scenarios Committee” by resolution of the Board of Directors on 13 March 2024

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, directly or indirectly, subsidiaries of Snam: Snam Rete Gas S.p.A.; Stocaggi Gas Italia S.p.A. – Stogit; GNL Italia S.p.A.; Infrastrutture Trasporto Gas S.p.A.; Snam International B.V.; Arbolia S.r.l. Società Benefit; Gasrule Insurance DAC; Enura S.p.A.; Greenture S.p.A.; Bioenerys S.r.l.; Renovit S.p.A.; Cubogas S.r.l.; Bioenerys Agri 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 Sangioanni 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.; BYS Società Agricola Impianti S.r.l.; Agriwatt Castel Goffredo Società Agricola a R.L.; IES Biogas S.r.l. (Argentina) in liquidazione; Enersi Sicilia S.r.l.; Soragna Agroenergie Società Agricola S.r.l. Zibello Agroenergie Società Agricola S.r.l.; Bietifin S.r.l.; Biogas Brusio Società Agricola a R.L.; MST S.r.l.; Moglia Energia Società Agricola a R.L.; MZ Biogas Società Agricola a R.L.; Maiero Energia Società Agricola a R.L.; Società Agricola Agrimetano Ro S.r.l.; Società Agricola

Agrimetano Pozzonovo S.r.l.; TEP Energy Solution S.r.l.; Tea Innovazione Due S.r.l.; T.lux S.r.l.; Snam Gas & Energy Services (Beijing) Co. Ltd.; Snam Energy Services Private Limited; Bioenerys Ambiente S.r.l.; Renerwaste Lodi S.r.l.; BYS Ambiente Impianti 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 Toscana S.r.l. Biowaste CH4 Legnano S.r.l.; CH4 Energy S.r.l.; Renovit Public Solutions S.p.A. ed Evolve S.p.A.; RENPV1 S.r.l. e RENPV2 S.r.l.: 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.; FSRU I Limited

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

2024 Corporate Governance Recommendations: the recommendations of the Chair of the Corporate

Governance Committee contained in the letter of 14 December 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 (including regulatory authorities/bodies), customers, business partners, gas system operators, suppliers, other players and competitors, 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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Presentation of the Report

With a view to a “Core & More” approach as defined by Accounting Europe, Snam has structured its reporting system in an integrated manner, with the aim of providing all stakeholders with comprehensive and transparent economic, social, environmental and governance information, presenting a detailed view of its activities, performance and objectives for the future.

The **Core & More** approach looks to present corporate reporting effectively by organising financial and sustainability information according to the interests of different users. Material information for a wide range of stakeholders is contained in the “Core” reports while additional details for a more limited audience are contained in the “More” reports.

CORE



ANNUAL REPORT 2023

- › DIRECTORS' REPORT
- › NON-FINANCIAL STATEMENT
- › CONSOLIDATED FINANCIAL STATEMENTS
- › STATUTORY FINANCIAL STATEMENTS

MORE



REPORT ON THE REMUNERATION POLICY AND FEES PAID

Describes and investigates the Company's **Remuneration Policy of Directors and Managers** specifying the goals, the involved bodies, the procedures for its adoption and implementation in addition to the remuneration paid.



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 CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE 2023

The Report on Corporate Governance and Ownership Structure 2023 (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.

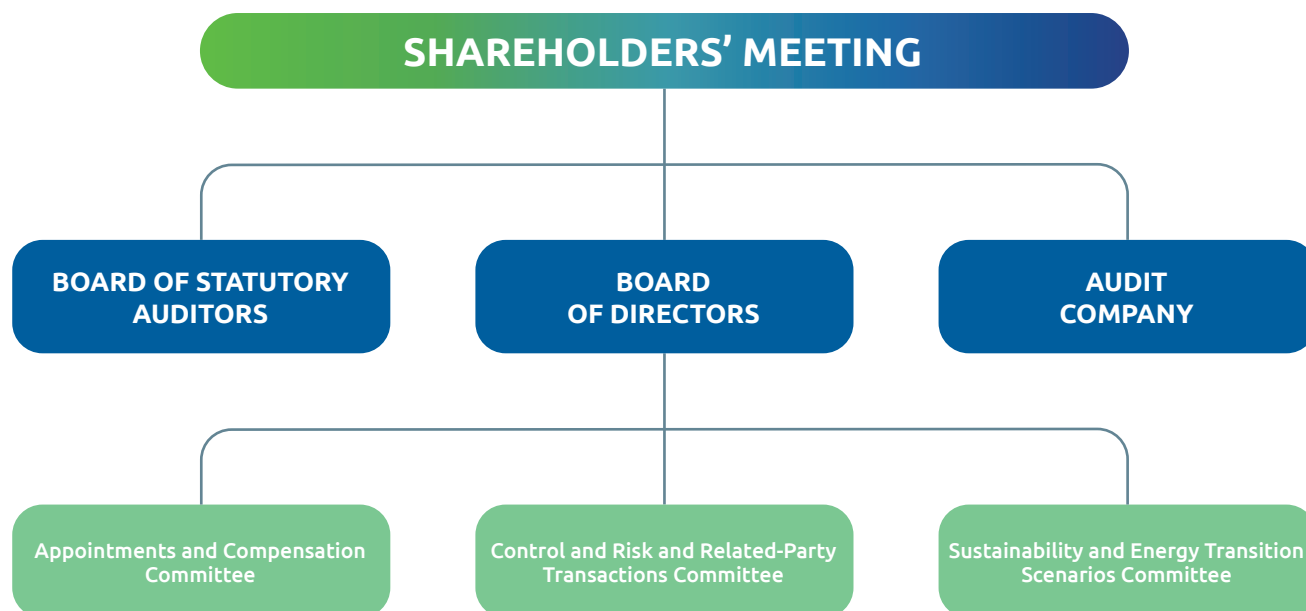
The Report has been prepared in accordance with the "Format for the Report on Corporate Governance and Ownership Structure" issued by Borsa Italiana S.p.A. (9th Edition of January 2022), the 11th Report on the application of the Corporate Governance Code by the Italian Corporate Governance Committee of Borsa Italiana, "2023 Report on the evolution of corporate governance in listed companies", and the report entitled "Report on Corporate Governance in Italy: the implementation of the Italian Corporate Governance Code (2023)" of Assonime dated February 2024.

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



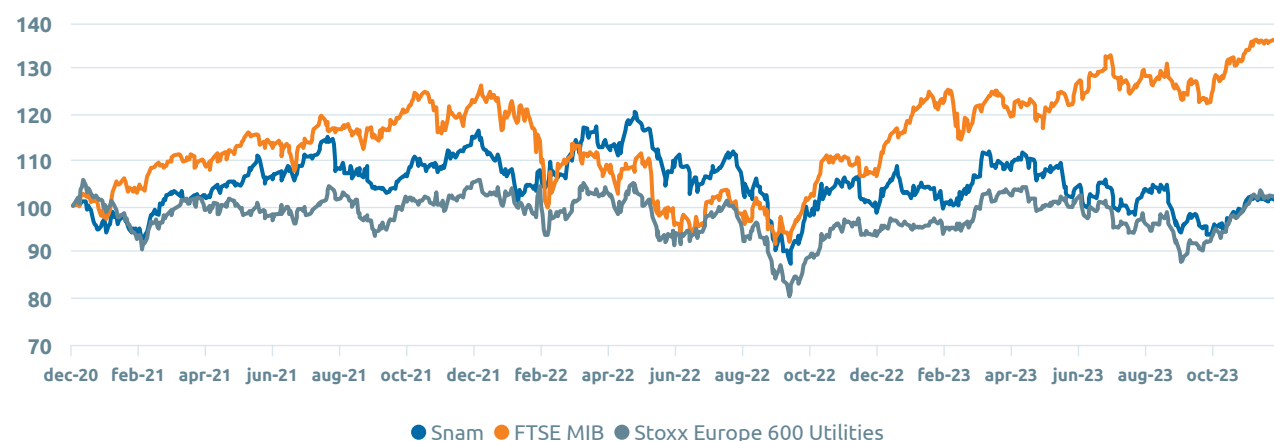
MAIN COMPANY HIGHLIGHTS

Figures in millions €	2021	2022	2023	DELTA	% change 2022-2023
Total revenues	3,297	3,515	4,288	773.00	22.0
Operating profit (EBIT)	1,423	1,328	1,271	-57	-4.3
Net profit (a)	1,496	671	1,135	464	69.2
Net indebtedness	14,021	11,923	15,270	3,347	28.1
Capitalisation at 31/12 (b)	13,343	15,178	15,611	433	2.9
Employees	3,430	3,610	3,798	188	5.2
Sector	Utility				

(a) Entirely attributable to Snam shareholders.

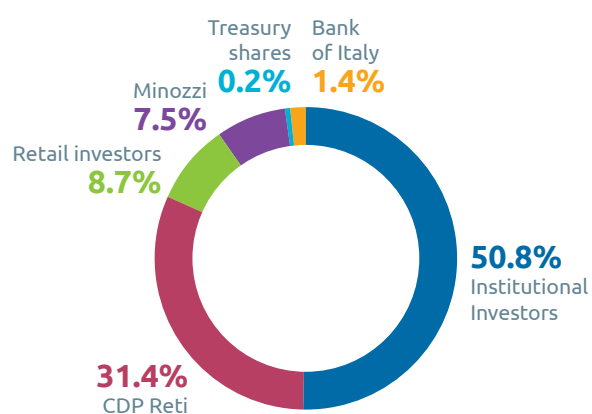
(b) Product of the number of outstanding shares (exact number) by the official price per share as of 31 December 2023.

STOCK PERFORMANCE, 2021-2023

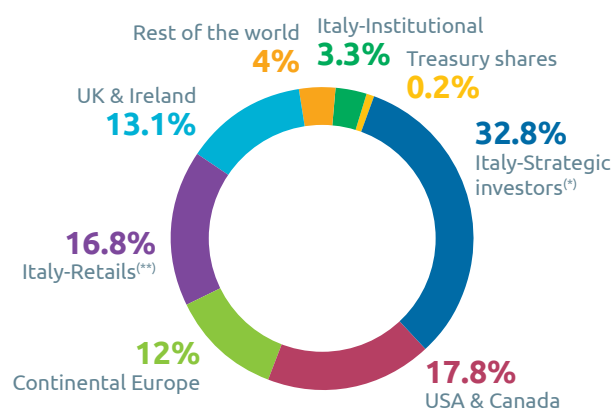


SHAREHOLDING STRUCTURE AND REPRESENTATION (AS OF 31 DECEMBER 2023)

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	0.00549%
Shareholding threshold for the submission of lists	Yes	0.5%
Shareholding of Italian institutional and strategic investors	Yes	36.1%
Shareholding of foreign investors	Yes	46.9%

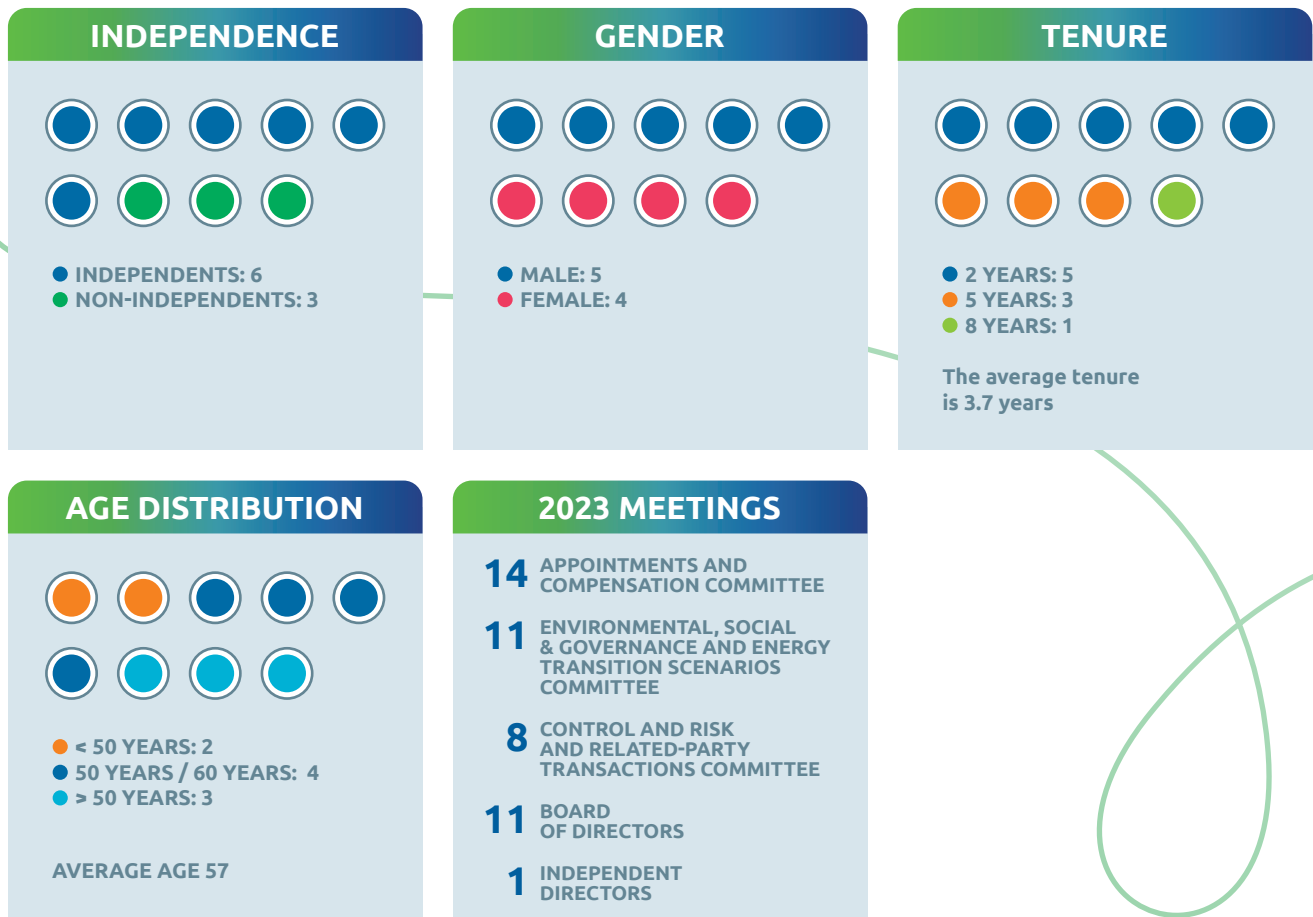
Composition of the Board of Directors

STRUCTURE OF THE BOARD OF DIRECTORS AS OF 31 DECEMBER 2023

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	

M: Majority list
m: minority list
C: Chair





CHANGES COMPARED TO THE PREVIOUS MANDATE

	Previous mandate	Current mandate	FTSE MIB average*
Number of Directors	9	9	12.3
Directors elected by the minority	3 (33.3%)	3 (33.3%)	18.9%
% of the less-represented gender on the BoD	33.3%	44.4%	43.0%
% of independent Directors	66.6%	66.6%	63.4%
Average age of Directors	53	57.2	58.1
Chair-CEO or Chair-controlling shareholder	no	no	18%
Lead Independent Director	no	no	51.5%

* Assonime – Report on Corporate Governance in Italy: the implementation of the Italian Corporate Governance Code, 2023.

GOVERNANCE HIGHLIGHTS



INDEPENDENCE

- **6 out of 9 directors are independent pursuant to the TUF and the Corporate Governance Code.**
- **Control and Risk and Related-Party Transactions Committee** is composed of **100% independent** members (3/3).
- **Appointments and Compensation Committee** and **Environmental, Social & Governance and Energy Transition Scenarios Committee** are composed of **66.6% (2/3)** and **75% (3/4) independent** members, respectively.
- **Committee chairs** are **100% independent** members and drawn from the **minority list**.

For further information see section III, paragraphs 2 and 3.



BOARD ENGAGEMENT

- **Participation rate at the Board of Directors of 97%** and at the **Committees of at least 88%**.
- 11 meetings of the Board of Directors.
- 6 induction sessions by executives.
- 1 training session by external experts.
- 3 strategic off-site visits.
- Chairman's sustainability engagement roadshow with key shareholders.

For further information see section III, paragraph 5.



SHARE OWNERSHIPS GUIDELINE

- The CEO is required to **hold a number of shares with a minimum value of 200% of his Fixed Remuneration** within a term (compliance period) of **5 years** and to maintain it **until the end of the relationship**. In the event of the appointment of a new CEO, the minimum level of share ownership is required to be achieved within two terms (corresponding to 6 years).

For more information see Remuneration Report.



INDUCTIONS AND TRAINING

- Snam takes a **proactive approach** by involving Board Members and **Statutory Auditors in board induction and training** sessions on relevant topics, including in 2023: **SnamTec, the regulatory framework, people strategy, carbon capture and storage, innovation and cybersecurity**.

For further information see section III, paragraph 5.



CLAWBACK

- Since 2014, a **claw-back clause** has been introduced for variable incentive schemes, through which Snam, in certain **particularly serious cases including wilful misconduct and gross negligence**, can **repossess all or part of the sums paid out**.

For more information see the Remuneration Report.



BOARD LEADERSHIP

- The **Chair of the Board of Directors** is neither the CEO nor holder of significant management powers, nor is the person who controls, even jointly, the Company. Furthermore, she is **independent**.
- The **chairs of the committees are independent** directors drawn from the **minority list**.
- The establishment of the **lead independent director was not requested** by the independent directors.
- The **Independent Directors met during the year** to discuss various topics **under the coordination** of the Independent Director Piero Manzoni, Chair of the Control and Risk and Related-Party Transactions Committee.

For more information, see section III, paragraph 2.12.



BOARD DIVERSITY

- **Board of Directors** diversified in terms of **seniority, experience, background and gender**.
- Balance between longest-serving and newly appointed Board members. Average tenure 3.3 years.
- 44% female members (4/9).
- Average age 57 years.

For further information see section III, paragraph 2.



STRATEGIC OFFSITES

- During 2023, the Company organised several **strategic offsites** in **locations of strategic importance to the Company**.

For further information, see section III, paragraph 5.



BOARD RETREAT

- The Board of Directors held a **board retreat** in the context of which it was able to learn more about **decarbonisation scenarios**, and the **challenges and opportunities around the use of electrons and clean molecules**.

For more info see section III, paragraph 5.



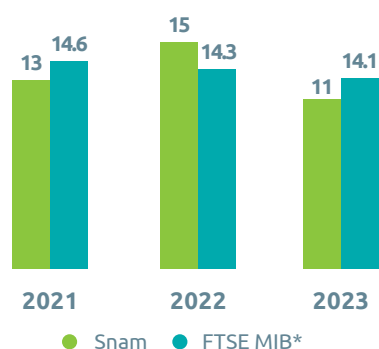
BOARD EVALUATION

- The Board of Directors **annually** undergoes a **structured self-assessment and reconnaissance of its activities** from an operational perspective and with the aim of identifying **opportunities for further improvement** with the support of an external company.

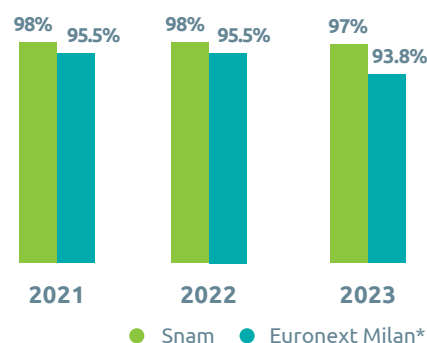
For more information see section III, paragraph 2.13.

FUNCTIONING OF THE BOARD OF DIRECTORS

Number of meetings of the Board of Directors



Attendance rate in the Board of Directors



* Assonime – Report on Corporate Governance in Italy: the implementation of the Italian Corporate Governance Code (2023).

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	8	100%	100%
Appointments and Compensation Committee	14	88%	89%
Environmental, Social & Governance and Energy Transition Scenarios Committee	11	91%	94%

DIRECTORS HOLDING POSITIONS AS DIRECTOR OR STATUTORY AUDITOR IN OTHER RELEVANT COMPANIES ACCORDING TO THE CORPORATE GOVERNANCE CODE

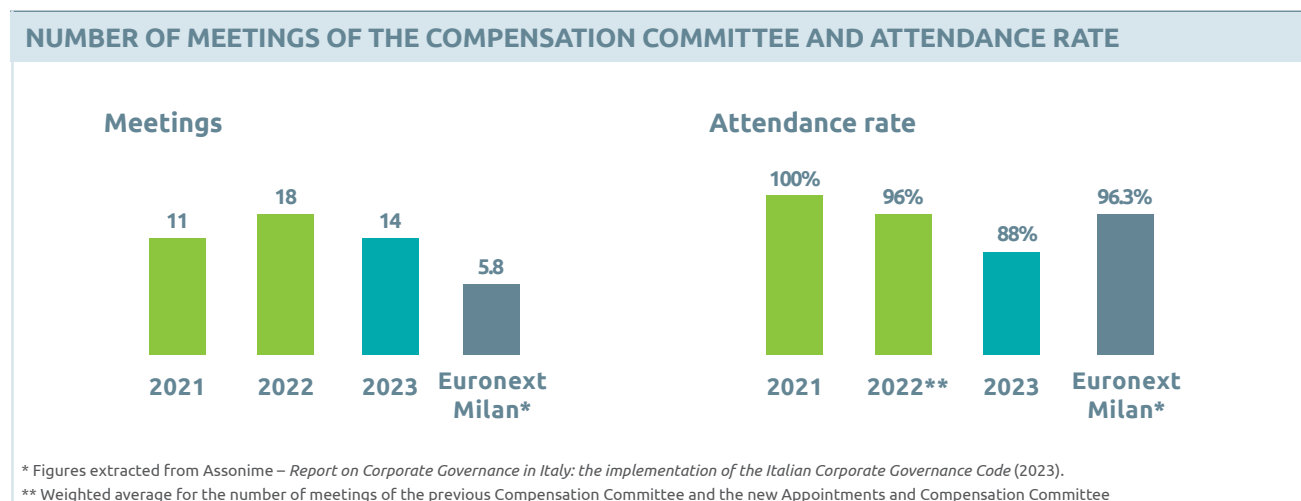
	Group companies		Other listed companies			Companies of significant size		
	Non-executive Director	Independent Director	Statutory Auditor	Non-executive Director	Executive Director	Independent Director	Statutory Auditor	
Monica de Virgiliis	-	-	3 ³	-	-	-	-	
Stefano Venier	-	1	-	-	-	-	-	
Massimo Bergami	-	-	-	-	-	-	-	
Laura Cavatorta	-	-	2	-	-	-	-	
Augusta Iannini	-	-	1	-	1	-	-	
Piero Manzoni	-	-	-	-	-	-	-	
Rita Rolli	-	-	1	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
Oversight	The process is coordinated by the Chair of the Board of Directors with support from the Environmental, Social & Governance and Energy Transition Scenarios Committee
Self-evaluation methods	Questionnaires/ Individual meetings/ Collegiate meetings

³ On 16 February 2023, ASM International N.V. announced that Eng. de Virgiliis has decided not to serve as a supervisory board member for the second mandate. Therefore, her mandate will end in May 2024.

Remuneration



Composition of the Appointments and Compensation Committee	Independent	Executiveness
Rita Rolli (Chair)	x	Non-executive
Massimo Bergami	x	Non-executive
Alessandro Tonetti		Non-executive

SHORT-TERM INCENTIVE SYSTEMS (STI)	
	No Yes
Existence of a short-term incentive system whereby an annual bonus is paid in connection with the results achieved in the previous year	X
Existence of a bonus cap	X
STI parameters for the CEO	Weight
Ebitda Adjusted	30%
Gas Infrastructure Investments	15%
Energy security projects	20%
Achieving Non Regulated Business milestones	15%
Sustainability:	
- Injury Frequency and Severity Weighted Index (10%)	20%
- Sustainable Finance - increased sustainability financing (5%)	
- ESG criteria in supply chain scoring model (5%)	

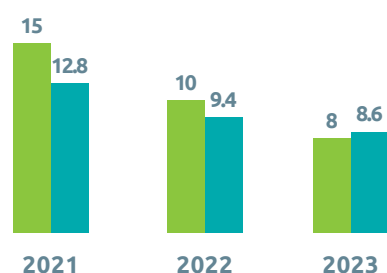
LONG-TERM INCENTIVE SYSTEMS (LTI)	
	No Yes
Existence of a long-term share-based incentive system with 3-year vesting and an additional 2-year lock-up period on 20% of the shares granted	X
LTI Vehicles	
Cash	
Financial instruments	X
LTI parameters for the CEO	Weight
Adjusted net income	40%
Value Added	20%
Energy Transition Readiness:	
- "H2 ready" grid kilometers certified by third party (10%)	20%
- Base development MW installed in Biomethane business (5%)	
- Development of decarbonization projects and definition business model and market design H 2 and CCS (5%)	
Sustainability:	
- Reduction in natural gas emissions (10%)	20%
- Equal gender representation in the management team (10%)	

CHIEF EXECUTIVE OFFICER – PAY-MIX 2023

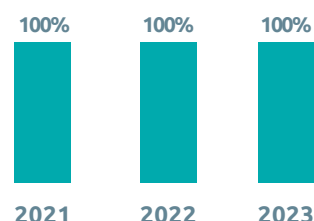
Purpose and characteristics		Pay Mix		
		Minimum	Target	Maximum
Fixed Compensation	The fixed compensation of the CEO/GM considers: the compensation set by the shareholders' meeting for directors; the compensation approved by the Board of Directors for delegated powers; and the gross annual compensation 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



Attendance rate at the Control and Risk and RPT Committee



● Snam ● FTSE MIB*

* Assonime – Report on Corporate Governance in Italy: the implementation of the Italian Corporate Governance Code (2023).

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

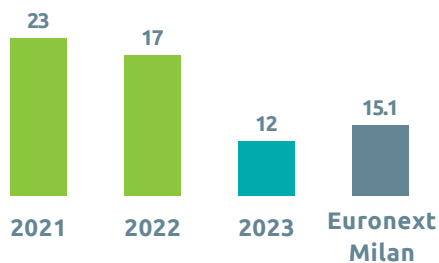
BOARD OF STATUTORY AUDITORS

Statutory auditors	Office held	Ind. **	M / m*	Other positions
Stefano Gnocchi	Chair	x	m	3
Gianfranco Chinellato	Standing Auditor	x	M	7
Ines Gandini	Standing Auditor	x	M	5
Maria Gimigliano	Alternate	x	M	n/a
Federica Albizzati	Alternate	x	m	n/a
Federico Sambolino	Alternate	x	M	n/a

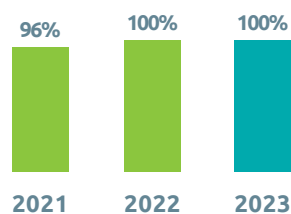
* M: majority list; m: minority list

** 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 2023 extracted from Assonime – *Report on Corporate Governance in Italy: the implementation of the Italian Corporate Governance Code (2023)*.

MAIN ELEMENTS OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

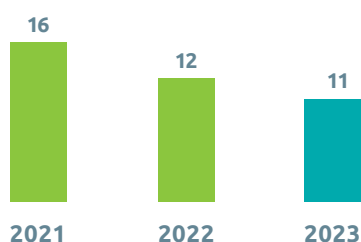
	Yes/No
Presence of the Risk Management function	yes
There is an Enterprise Risk Management plan	yes
If yes, is this plan discussed with the Committee?	yes
Presence of subsequent plans (in relation to Management)	yes
Preparation of specific compliance programmes (Antitrust, Anticorruption, Whistleblowing,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

MAIN RISKS

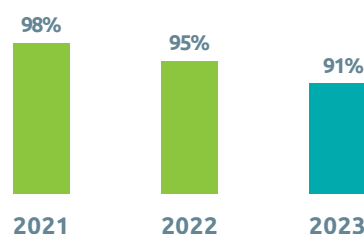
Main risks	Risk Owner	Category	Related Relevant Topics	Main mitigation actions
 Cybersecurity Risk	Executive Director Global Security & Cyber Defence		Innovation, digitisation and cyber security	<ul style="list-style-type: none"> Adaptation of information security and business continuity management criteria and processes to the provisions of ISO/IEC 27001 and ISO22013 standards and certification of compliance with them, with reference to core processes Management of application and infrastructure development activities in compliance with Security by Design principles and processes Formalisation of security intelligence processes for the preventive identification of potential threat sources Management of monitoring activities and response to events potentially damaging to the integrity of the information and information systems used through the establishment and maintenance of a cyber security operation centre Performing periodic technical verification activities Design and execution of periodic testing and simulation activities Development of a cybersecurity culture through the design and delivery of security awareness initiatives
 Operation risk (breakdowns, disruptions)	Managing Director Snam Rete Gas		Health and Safety, Energy Security and accessibility, Biodiversity and ecosystems	<ul style="list-style-type: none"> Application of management Systems and procedures that consider the specificities of Snam's activities Application of a recovery plan and business continuity management system Communication initiatives aimed at informing about the presence of infrastructures and the behaviour to be avoided or implemented by third parties in order not to damage them Technologically advanced tools for monitoring/controlling the state of the infrastructure/installations and territories concerned Continuous maintenance, control and monitoring interventions and actions aimed at preventing and/or limiting the impact of third party interference, potential situations of inadequate site coordination, the occurrence of hydrogeological events
 Regulatory risk (in particular regarding criteria for determining tariffs)	Chief Commercial & Regulatory Officer		Relations with authorities and quality of services	<ul style="list-style-type: none"> Monitoring and dialogue activities with key institutional stakeholders Oversight of consultation processes in a direct and/or indirect manner Ongoing regulatory oversight with monitoring of the evolution of laws and rulings, analysis of new developments and dissemination of information and insights to business and commercial functions
 Regulatory Compliance Risk	Chief Legal Officer & General Counsel		Health and Safety, Business Conduct	<ul style="list-style-type: none"> Updating and monitoring Model 231 protocols Adoption and maintenance of the Company's Corruption Prevention Management System certified according to ISO 37001:2016 standard Analysis and evaluation of reports received through the channels provided for in the reporting procedure Adoption and maintenance of Health, Safety and Environment management systems certified to ISO 14001 and OSHAS 18001 or ISO 45001 standards Training for management and employees on anti-corruption, administrative liability under Legislative Decree 231/01, privacy, market abuse, antitrust, injuries and issues relating to other potential offences Awareness-raising and training initiatives on corruption and accident prevention for contractors Updating and dissemination of contractual rules and standards aligned with applicable law and jurisprudence Reputational audits on suppliers and sub-contractors
 Health, Safety and Environment Risk	Executive Director Corporate Services		Health and Safety, Biodiversity and ecosystems and business conduct	<ul style="list-style-type: none"> Promotion of an HSE culture and responsibility for all levels of the organisation Monitoring regulatory developments and related enforcement Definition of operational control guidelines to ensure that activities are carried out in accordance with mandatory and voluntary HSE requirements Conducting periodic internal and external audits to assess the effectiveness of control measures and identify possible areas for improvement Obtaining and maintaining internationally recognised HSE certifications for health, safety and environment

ETHICS, SUSTAINABILITY, GOVERNANCE

Number of meetings of the ESG and Energy Transition Scenarios Committee



Attendance rate of the ESG and Energy Transition Scenarios Committee



Composition of the Environmental, Social & Governance and Energy Transition Scenarios Committee

	Independent	Executiveness
Laura Cavatorta (Chair)	x	Non-executive
Massimo Bergami	x	Non-executive
Qinjing Shen		Non-executive

Materiality analysis

The materiality analysis, carried out annually, is aimed at identifying the most significant sustainability issues for the Company and Stakeholders.

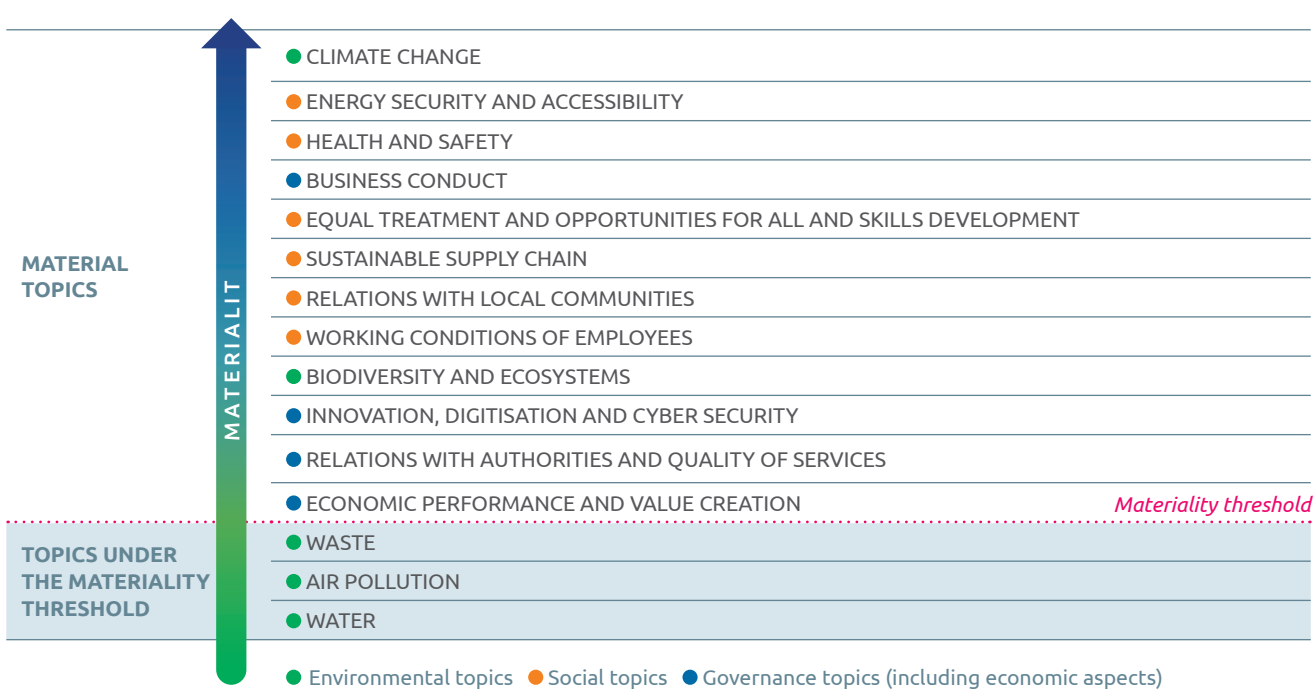
The analysis considers both the areas envisaged by Legislative Decree 254/2016 and the characteristic aspects of the sector in which Snam operates and has been developed according to the new GRI Universal Standards 2021, which require to identify the material issues on which organizations generate the most significant impacts on the economy, environment and people, including impacts on human rights (impact materiality).

In addition, [already during the 2023 financial year](#) - anticipating the requirements of the Directive (EU) 2022/2464 (so-called "Corporate Sustainability Reporting Directive" or "CSRD"), which came into force on 5 January 2023 and is applicable to Snam⁴ as of 1st January 2024 with an impact on reports published in 2025 - [an exercise was carried out on the double materiality analysis](#) with the identification of external sustainability risks and opportunities that may significantly affect the Company's future cash flows, with financial impacts in the short, medium or long term (financial materiality).

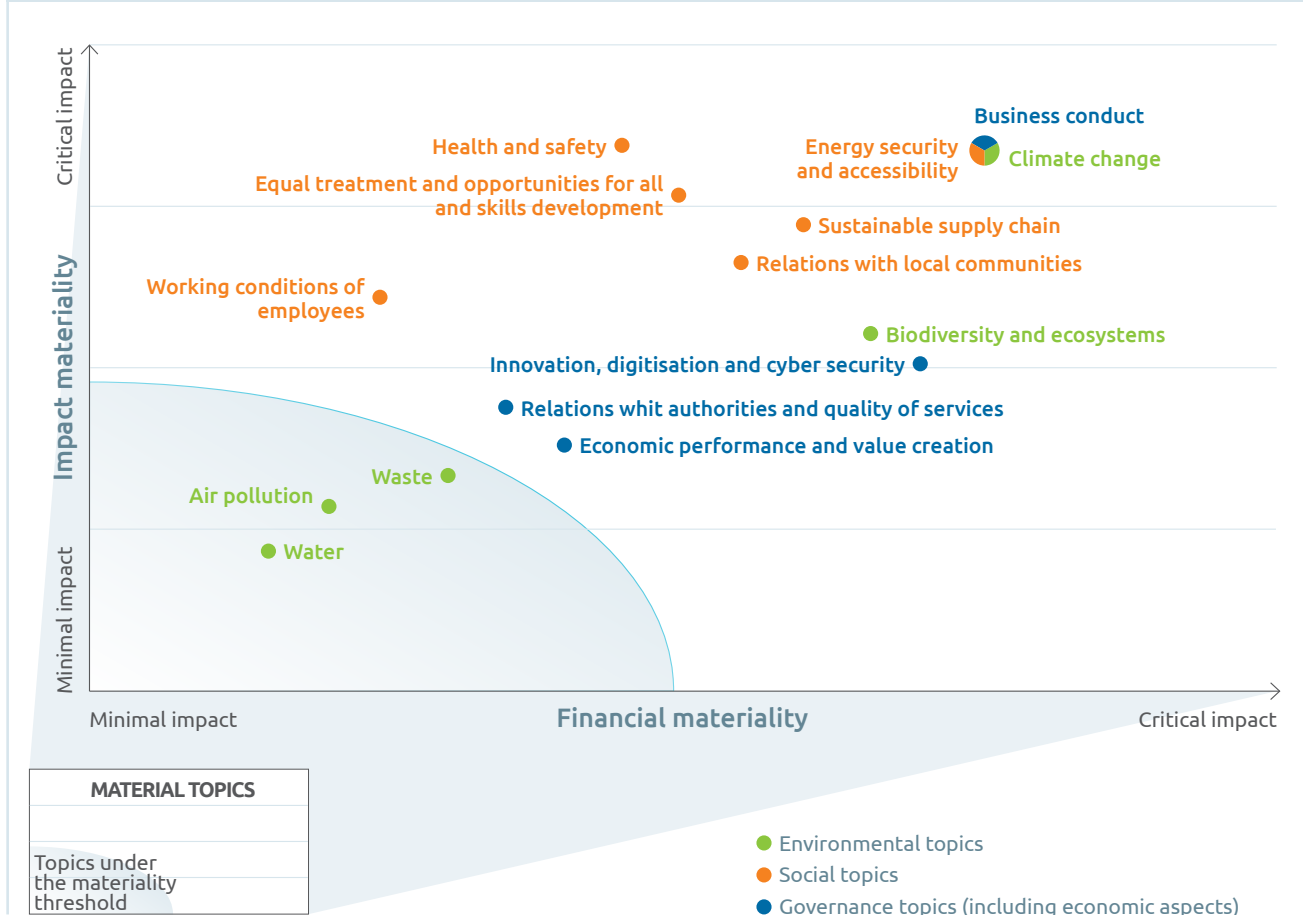
In 2023, [more than 10,000 stakeholders were involved by sending out questionnaires](#). In addition, 3 in-depth workshops on impact materiality were held for the stakeholder categories "Employees", "Customers", and "Suppliers", and 2 one-on-one interviews with financial analysts were conducted to explore financial materiality.

⁴ Qualifying as a public interest entity under Article 2(1) of that directive, which on the balance sheet date exceeds the average number of 500 employees employed during the financial year, Snam is in fact among the recipients for which the CSRD applies from the financial year 2024.

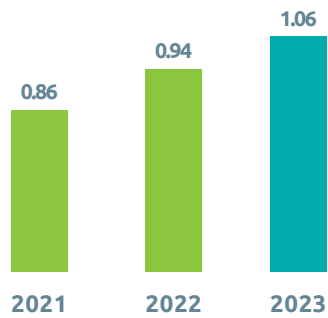
MATERIALITY ANALYSIS



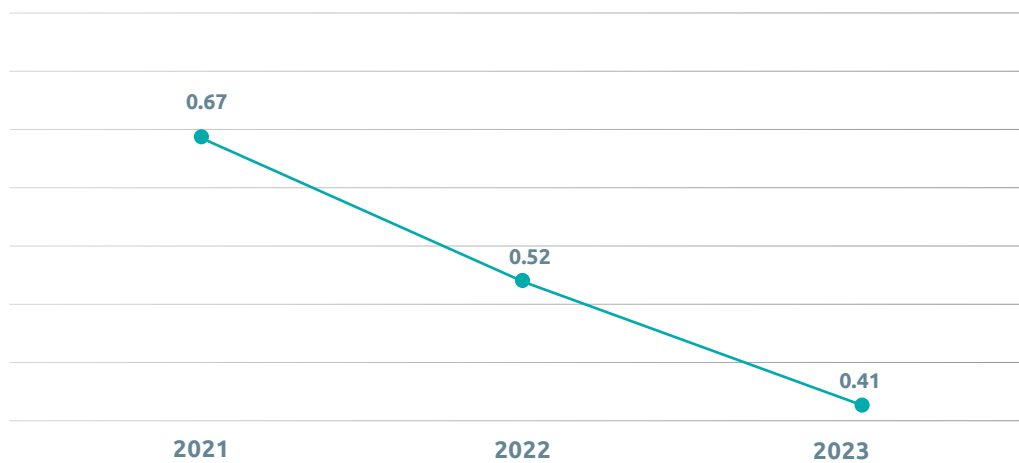
THE DOUBLE MATERIALITY



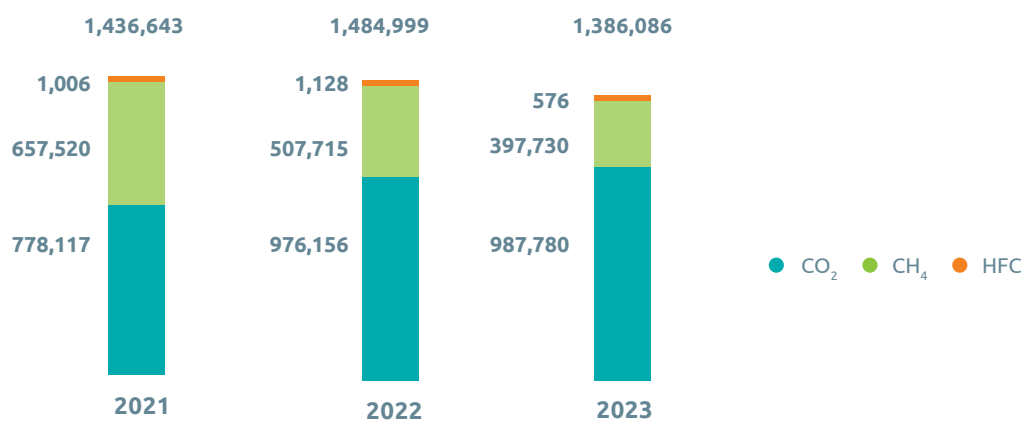
INJURIES AT WORK - FREQUENCY INDEX EMPLOYEES AND CONTRACTORS



METHANE EMISSIONS PER KM OF NETWORK (TON CH₄/KM NETWORK)



DIRECT GHG EMISSIONS (SCOPE 1) (tonCO₂e_q)



Note: the presentation of data previously expressed in ktonCO₂e_q, this year was expressed in tonCO₂e_q.

The CO₂e_q 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.

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 Value Added produced and distributed.

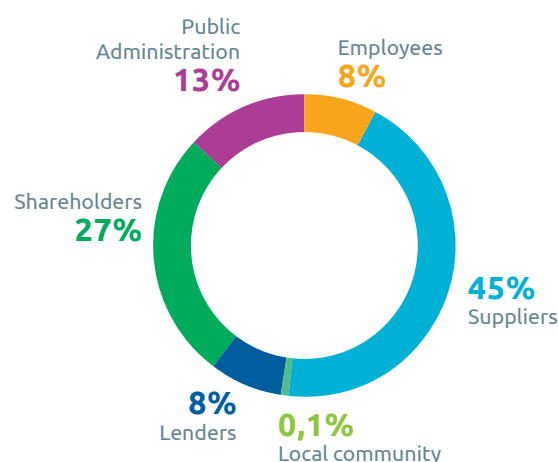
Snam calculates Value Added based on the standard drawn up by the Social Reporting Study Group (GBS) and the GRI Standards.

In 2023, the overall gross Value Added produced by the Company was Euro 4,625 million, with an increase of Euro 1,261 million, equal to 37.5%, compared to 2022 (Euro 3,364 million⁵), as a result of growth in regulated revenues related to the realization of investments and the significant contribution of the energy efficiency business, compared to a 2022 significantly impacted by the effects of the Russia-Ukraine conflict on the valuation of Snam's stake in TAG, the company that owns the pipeline that transports Russian gas to Italy via Austria, passing through Ukraine, Slovakia and up to the Tarvisio entry point.

23.4% of the global gross Value Added produced was reinvested within the Group and 85.7% (100% in 2022) was allocated to the depreciation of Group assets. With regard to key stakeholders, 2023 shows an increase in value distributed to lenders compared to 2022 (5.9%; +1.4 percentage points compared to 2022), as a result of the changed interest rate scenario over the past 12 months that resulted in higher market rates. The value distributed to shareholders through dividend distribution shows an increasing incidence compared to 2022 (20.5%; -7.0% compared to 2022), against an increasing dividend per share (+2.5% compared to 2022), in line with the dividend policy announced to the market.

With reference to employees, there is an incidence of 6.1% (7.7% in 2022) on the distributed Value Added through direct remuneration, consisting of wages, salaries and severance pay, and indirect remuneration, consisting of social security charges and costs for personnel-related services (canteen services, welfare), growth also due to recruitment from the market for the strengthening of the energy transition businesses. The amount allocated to the Public Administration through direct and indirect taxes for the period is 9.6% (12.8% in 2022) against the lower taxable profit achieved in 2023. Lastly, an amount of Euro 3 million was allocated to local communities (0.1% of the value generated), and is represented by donations and environmental offsets made in accordance with the law.

ADDED VALUE DISTRIBUTED BY STAKEHOLDER CATEGORY (%)



⁵ The 2023 value added produced includes the effects of any impairments made on current and non-current assets. The value for 2022 has been restated accordingly.



SUSTAINABILITY SCORECARD

Reviewed scorecard with new target

As evidence of the 360-degree commitment to all aspects of sustainability, provided below is the Sustainability scorecard, the monitoring dashboard of key sustainability KPIs aligned with the new sustainability framework presented in the Strategic Plan 2023-2027.

KPIs		2023 Actual	2024 Budget	2027 Target	
STRATEGIC KPIs	Green Transition	Avoided CO ₂ emissions (ktCO ₂ e) ¹	102.9	105	500
		H ₂ readiness length of network certified (km)	1,513	1,900	3,000
		Gas Transportation operational availability ² (%)	>99	>99	>99
	Multimolecule Infrastructure	Production of biomethane (Msmc)	24.4	20	160
		Invest. related to the CCS Ravenna Projects Phase 1+2 (€M) ³	65	120	370
	Carbon Neutrality	Reduction of total natural gas emissions (%) [*]	-56.67	-57.5	-64.5
		Introd. ESG criteria in scoring models (% of contracts) [*]	35	35	65
		RES ⁴ on total electricity consumption (%)	63	52-55	100
		Tot. procurem. spending on suppliers w/decarb. plan (%)	23	25	35
	Biodiversity & Regeneration	Zero Net Conversion by 2024		X	
Net Positive impact by 2027				X	
Vegetation restored in areas of pipes construction (%)		99.9	99.9	99.9	
Financial & CO ₂	ESG Finance over total funding available (%) [*]	81		85	
	CapEx EU Taxonomy-aligned (% of total)	29			
	Revenues EU Taxonomy-aligned (% of total)	26			
Sustainable Principles	ESG matters discussed at BoD Meetings (<i>>40% of BoD discussions with ESG topic discussed</i>)				
	3 rd parties subject to procur. Process on which reputational checks are performed (<i>100% of suppliers with reputational checks performed</i>)				
	Italian territory covered by cyber resilience field tested scenarios (<i>100% of Italian territory covered</i>)				

1. Emissions avoided to 3rd parties thanks to the Group's activities and investments in the infrastructure, in a first phase, the emissions avoided from bio-methane activities and energy efficiency interventions are considered;
2. Previously called "Reliability levels on gas supply";
3. Cumulated figure 2023-2027;
4. Renewable Energy Source computed on regulated perimeter.

* Figures subjected to final approval by Committees in the remuneration process.

KPIs		2023 Actual	2024 Budget	2027 Target	
STRATEGIC KPIs	People	Employees engagement index (%)	84	>80	>80
		Women in executive and middle management roles (%)*	25.9	26	27.5
		IpFG (Combined Frequency and Severity Index) ^{5*}	0.47	<min.3y ⁵	<min.3y ⁵
		Gender pay gap (%) ⁶	-	-	+/- 5
		Participation in welfare initiatives (%)	57.9	75	80
		Training hours delivered to employees (h/capital)	37	36	40
Local Community	Benefits for local communities over reg. revenues (%)	0.4	~1	~1	
	Value released at local communities (€M)	1,451	>1,000	>1,000	
	Avg customer satis. rate in terms of service quality (1-10) ⁷	8.1	≥8.1	≥8.1 ⁷	
Trasformative Innovation	Investments in innovation over revenues (%)	3.3	3	3	
	Start-ups accelerated after PoC (#) ⁸	11 (22)	15 (25)	27 (30)	
	Process digitalized and process with AI (% of total)	100/10	100/12	100/20	
	Projects covered by Security by Design cyber approach (%)	New KPI	100	100	
	CapEx SDG-aligned (% of total)	61			
Scope 1 and 2 CO ₂ emissions reduction (% v. 2022) ⁹	-10		-25		

● **Headline KPI** ● **Detail KPI**

5. Snam aims to have an index lower than the minimum of the latest 3 years;
6. For equivalent organizational positions;
7. The target indicated refers to a spontaneous initiative by Snam to measure service quality through the annual survey, using a scale of values from 1 to 10, however, we are expecting a change in the service quality assessment methodology in the coming years. In this case, the annual target will have to be modified accordingly;
8. KPI represents both the number of startup accelerated and the number of Proofs of Concept (PoC);
9. Reduction computed on regulated perimeter.

* Figures subjected to final approval by Committees in the remuneration process.

SECTION I

Snam introduces itself



SECTION I 30
Snam introduces itself

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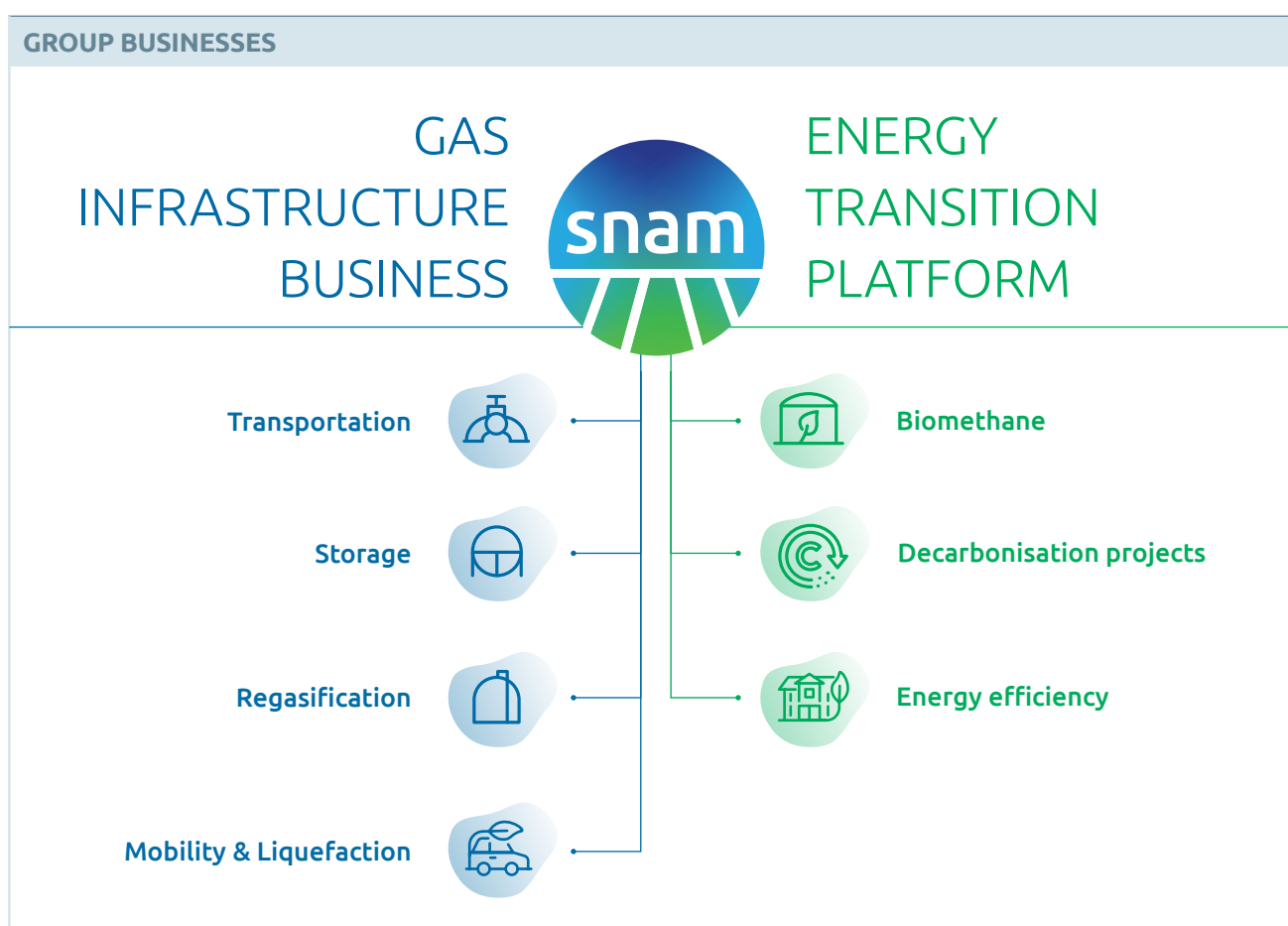
1. Snam and its businesses

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 in its operations by 2040 and Net Zero by 2050, 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 2023 Annual Financial Report made available on the Company’s website in the section dedicated to the Company’s Shareholders’ Meeting of 7 May 2024.



Snam's purpose

For some years now, Snam has given itself a very clear purpose, "energy to inspire the world", qualifying itself as an enabling entity committed to transporting what the world needs most to improve itself: energy. A profound, fundamental *raison d'être*, which in the face of the current international context - which arose with the energy crisis and was exacerbated by the Russian-Ukrainian conflict - has had to be combined with an ambition capable of dropping it more effectively into its time and tasks. Snam has thus chosen to specify its commitment in the direction of a system of "energy infrastructure for a sustainable future" thanks to which the great challenge of the energy trilemma - to ensure secure, competitive and environmentally friendly supplies - can be tackled with confidence, fostering the resilience, adaptability and transition of the territories served.

Together with the Group's vision and values, which intend to guide the evolution of the sector through an increasingly innovative sustainable energy network, purpose and ambition will help Snam to better and better face the many challenges of the future, from an environmental impact that wants to become positive to the increasingly widespread digitization of managed systems, from the concrete connection with local communities to the development of energy transition businesses (biomethane, hydrogen, CCS, energy efficiency and Small Scale LNG). These are objectives on which Snam invests more and more resources, as confirmed by the investments included in the Strategic Plan 2023-2027, characterized not only by a renewed infrastructure commitment but also by a broader sustainability strategy and related goals formalized in the Sustainability scorecard (former ESG scorecard).



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, as also reflected in the various ESG Policies adopted by the Company⁶.

Of particular relevance is the **Diversity and Inclusion** policy regarding the Company's personnel and its appendices focused on gender equality, recruiting, harassment and gender social transition, the latter of which was approved in 2023. In fact, as evidence of its commitment to these issues, during 2023 Snam achieved Gender Equality Certification, formalized by the accreditation body DNV. The Certification is the focus of Mission No. 5 of the Italian PNRR, which finds its application in the UNI/PdR 125:2022 Refereeing Practice and defines the guidelines of a management system for gender equality.

Snam also adheres to the UN "Global Compact", the world's biggest international sustainability initiative, and operates with the aim of achieving the co-existence of the environment, social and economic development, without neglecting land conservation, also through the activities of the Fondazione Snam ETS, founded in 2017, and the activities of Arbolia S.r.l., benefit company whose purpose is to carry out activities of afforestation, reforestation, urban forestation and/or defense of existing forests and related maintenance in Italy, including on behalf of third parties through the sale of design, planting and maintenance services to companies and/or individuals.

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, Carbon Disclosure Project, Stox Global ESG Leaders, MSCI, United Nations Global Compact 100, Moody's Vigeo, ISS ESG and Sustainalytics). In addition, Snam is for the fourth consecutive year among the companies included in Bloomberg's Gender-Equality Index (GEI), the index that measures companies' performance on gender balance, inclusion and data transparency.

To transparently represent to its Stakeholders the value created and the sustainability of the business, Snam prepares:

- (i) since 2015, a Management Report within the Financial Report integrated with financial and non-financial data and information, inspired by the principles of the framework proposed by the International Integrated Reporting Council - (IIRC);
- (ii) since 2017, the Non-Financial Statement (NFS), contained within the Management Report, in accordance with Legislative Decree No. 254 of 2016 and the most advanced standards of the Global Reporting Initiative.

In the 2023 edition, Snam has optimized its sustainability reporting with a Core and More approach, including in the NFS the distinctive information contained in the Sustainability and Climate Change Reports (reports it had been publishing since 2006 and 2018, respectively), and thus making all relevant sustainability information available to stakeholders in a single document, facilitating its consultation.

The NFS is available as a separate section of the Management Report in the Annual Financial Report.

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

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 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 economy⁷.

⁶ ESG policies are available on the Company's website (<https://www.snam.it/en/documents/politiche-ESG.html>).

⁷ For more information, see Section III of this Report.

2.1 The new sustainability strategy

In 2023, with the aim of transparently communicating Snam's commitment to ESG issues, *Snam's new sustainability strategy* was approved to adopt an all-round approach, fully integrated into the Group's operations and business strategy, with a commitment focused on the following seven strands (pillars):

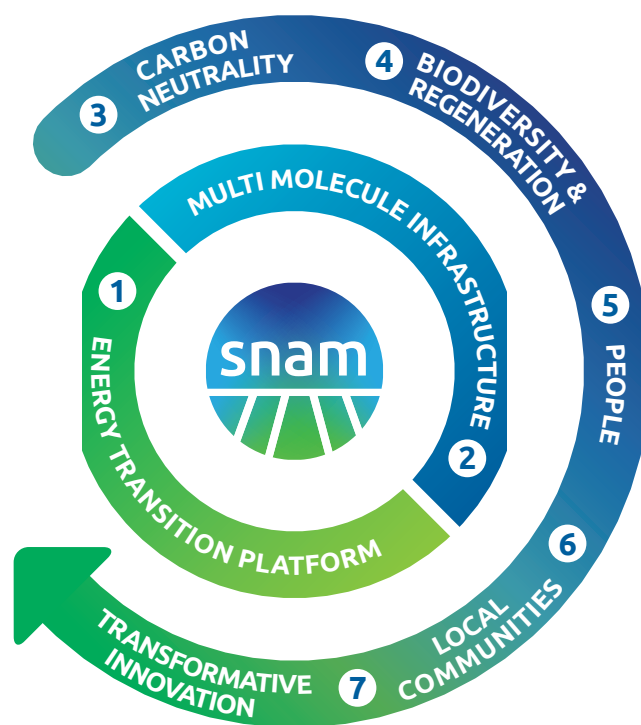
Based on this new approach, the ESG scorecard was simultaneously updated, renamed the *Sustainability scorecard*, a tool adopted from 2020, and relevant key performance indicators (KPIs) were introduced to measure progress in all mentioned pillars by 2027, the horizon of the new Strategic Plan. The review of the sustainability strategy was also an opportunity to revise the company's decarbonization plan by updating targets and actions to achieve them.

The Sustainability scorecard is a quarterly monitoring and disclosure tool with specific KPIs and targets belonging to the environmental (avoided emissions, reduction of natural gas emissions, responsible and sustainable supply chain, Net positive impact for biodiversity), social (welfare, employee engagement, safety, gender diversity, local communities) and governance (governance structure and its functioning, infrastructure reliability, anti-corruption, sustainable finance and innovation) spheres.

Regarding the *decarbonization plan*, Snam has set new targets in the medium term on Scope 1 and 2 emissions related to the regulated business, equal to -25% in 2027, -40% in 2030, and -50% in 2032, compared to 2022 values. In relation to Scope 3 emissions, also related to regulated business, Snam has reinforced its commitment with two absolute emission reduction targets of -30% in 2030 and -35% in 2032.

To these targets Snam adds a new long-term commitment for the entire Group to achieve *carbon neutrality by 2040* on Scope 1 and 2 emissions and Net Zero by 2050 on Scope 1, 2 and 3 emissions.

Regarding methane emissions, in 2023 Snam achieved about -57% compared to 2015 and, given the excellent results achieved, set reduction targets equal to -64.5% in 2027, -70% in 2030 and -72% in 2032. These results exceeded the targets recommended by the Oil and Gas Methane Partnership (OGMP) 2.0 of UNEP (United Nations Environment Program), which once again awarded Snam the Gold Standard in 2023.



Some of the initiatives implemented to achieve the set targets 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 Small Scale LNG and collaboration with subsidiaries and suppliers through knowledge sharing and awareness raising initiatives.

In March 2024, Snam published the document "Snam's climate positioning, also through Stakeholders' Associations and Coalitions", which summarizes its positioning on climate issues and is an official commitment to the achievement of the Paris Agreement goals. This document, signed by the Chief Executive Officer and viewed by the ESG Committee and the Board of Directors, reinforces transparency and disclosure with respect to advocacy and associative activities in the climate field.

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

https://www.snam.it/content/dam/snam/pages-attachments-search/en/documenti/bilanci-annuali/2023/annual_report_2023.pdf

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 Company⁸.

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, in accordance with its Articles of Association organizes business activities with the aim of pursuing sustainable success through the creation of long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the Company. This principle guides the actions of the Board of Directors.

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' Meeting⁹ (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 Association¹⁰.

The statutory audit of the financial statements as of 31 December 2023 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 Association¹¹:

- Control and Risk and Related-Party Transactions Committee;
- Appointments and compensation committee;
- Environmental, Social & Governance and Energy Transition Scenarios Committee¹².

The Articles of Association can be consulted on the Company's website

<https://www.snam.it/content/dam/snam/pages-attachments/en/governance/documents/2023/Snam-S.p.A.-Statuto-sociale-eliminazione-clausola-trasnitorea-ENG-Clean.pdf>

⁸ 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.

⁹ For further information, see Section III, Paragraph 1 of the Report.

¹⁰ For further information, see Section III, Paragraph 4 of the Report.

¹¹ 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.

¹² This name was changed to "Sustainability and Energy Transition Scenarios Committee" by resolution of the Board of Directors on 13 March 2024.

4. Code of Ethics

The **Code of Ethics** defines Snam's business ethics culture and it forms the basis for the Company's strategic thinking as well as the conduct of its business¹³. 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 e (ii) describes the rules of conduct Snam shall comply with in relations with Stakeholders, prohibiting behaviors that do not conform to the above rules of conduct and values, including all forms of corruption.

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 Body the role of Code of Ethics Supervisor.

At Snam, we consider the culture of compliance and business ethics to be an integral part of our values and a safeguard for the company and its people. As part of the Integrated Compliance 2023 Monitoring activities, the

Company decided to carry out a training activity through the creation of an e-game called "Snam City", which consists of three "neighborhoods" dedicated to the topics of Code of Ethics, Anti-Corruption and Privacy, respectively. The e-game was initially administered on a pilot involving about 1,000 people from the Snam Group. Starting in 2024, the initiative will be extended to the entire corporate population. In addition, during 2023, a specific training activity has been organized for all managers and executives of the Group dealing with: the regulations under Legislative Decree no. 231/2001, the Code of Ethics, Anticorruption with a focus on ISO37001, Privacy and the Integrated Risk Assurance and Compliance Model.

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

https://www.snam.it/content/dam/snam/pages-attachments/it/governance/documents/2021/Codice_Etico.pdf

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

SECTION II

Snam's ownership structure



SECTION II

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Snam's ownership structure

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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 2023, the Company held 7,244,579 treasury shares, equal to 0.216% of the share capital. The floating capital was 67%.

The Company's market capitalisation increased from 15,178 million euro as at 31 December 2022 to 15,611 million euro as at 31 December 2023 (based on an official price of 4.66 euro per share and a total number of outstanding shares of: 3,353,613,230).

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.	31.352
		Totale: 7.460
MINOZZI ROMANO	Minozzi Romano	3.773
	Iris Ceramica Group S.p.A.	2.526
	GranitiFiandre S.p.A.	0.835
	Finanziaria Ceramica Castellarano S.p.A.	0.326
LAZARD ASSET MANAGEMENT LLC.		4.961

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*

European and national legislation on the internal energy and natural gas market, with particular reference to the ownership unbundling model and independence of the management of transmission networks from supply and production interests, provides certain limits to the exercise of corporate rights in Snam.

In particular, 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 provisions of Article 19 of Legislative Decree No. 93 of 1 June, 2011 which, having implemented Directives 2009/72/EC, 2009/73/EC and 2008/92/EC on common rules for the internal market electricity and natural gas, regulates the ownership unbundling model of transmission systems and operators of the natural gas transmission. This article in fact provides that the same party (whether a natural person or legal entity) may not, among other things:

- (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 operations.

Rights whose exercise is precluded under the above provisions include, in particular, the right to vote as well as the right to appoint members of the supervisory board, board of directors or bodies legally representing the company.

Due to the legal and regulatory framework represented¹⁴, shareholders engaged in the production and sale of gas and/or electricity are precluded from exercising their voting rights at the Company's Shareholders' Meeting; therefore, they remain the sole holders of the economic rights related to the shares held in Snam.

Lastly, it should be noted that on 5 May 2023, Resolution 140/2023/R/GAS was published by ARERA, which recertifies Snam Rete Gas S.p.A. and Infrastrutture Trasporto Gas S.p.A. as natural gas transmission operators operating under ownership unbundling model.

¹⁴ For a complete examination of the developments in Unbundling regulations at the European and national levels, and the Resolutions that ARERA has issued over the years in relation to the certification process of Snam Rete Gas S.p.A. and Infrastrutture Trasporto Gas S.p.A., please refer to the Report on Corporate Governance and Ownership Structure 2022, in particular par. 3.1 "Unbundling regulations", available on the Company's website (https://www.snam.it/content/dam/snam/pages-attachments/en/governance/documents/2023/assemblea-degli-azionisti/Relazione-Governance_ENG_2022.pdf).

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 in the energy sector strategically important for the national interest, 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 (with subsequent amendments and additions, including Presidential Decree No. 133 of 1 August 2022, with particular reference to, among other things, the institution of pre-notification and an *ad hoc* regime for intragroup transactions)¹⁵.

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.

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.

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

<https://www.snam.it/en/investor-relations/investing-in-snam/azionariato/shareholders-agreements.html>.

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.

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."

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 capital¹⁹. 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 4 May 2023 revoked the unimplemented part of the authorisation granted on 27 April 2022 and authorised a purchase of treasury shares for a maximum outlay of 500 million euros, without in any case exceeding 4.5% 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, in summary, 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 2023 amounted to 7,244,579, representing 0.216% of the share capital.

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 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.

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

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

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.

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/content/dam/snam/pages-attachments/it/governance/documents/2022/00396_linee_guida_corp_gov_unbundling_definitiva.pdf

As of 31 December 2023, Snam exercises direction and coordination activity with respect to all the Subsidiaries defined in the Glossary.

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.

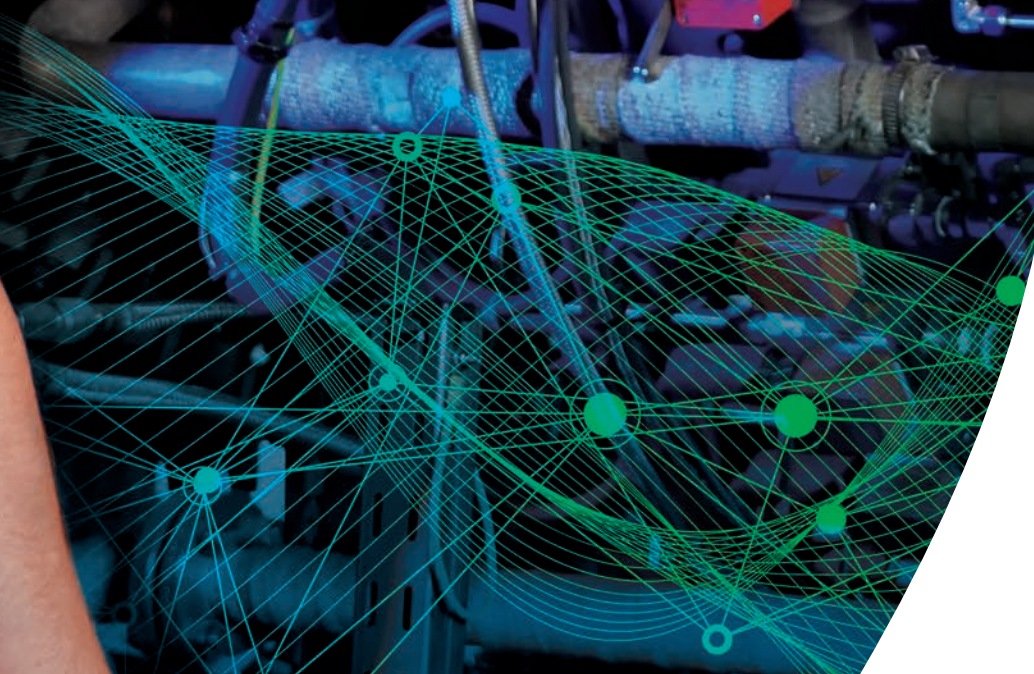
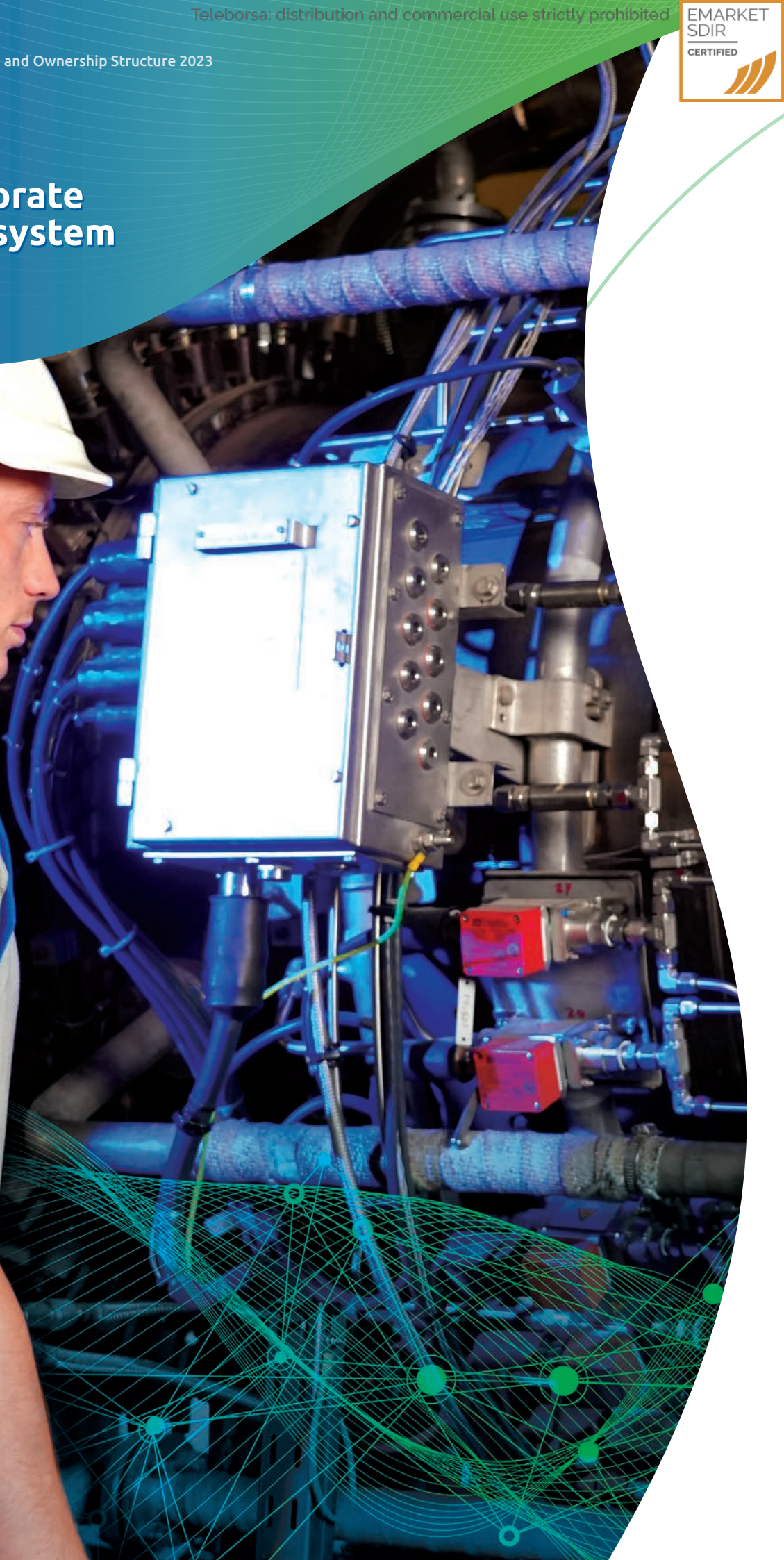
The information²³ relating to the rules applicable to the amendment of the Articles of Association, if different from the legislative and regulatory provisions that are additionally applicable, can be found in Section III, Paragraph 1 of this Report focused on the Shareholders' Meeting.

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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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	Quorum to pass resolutions
Not applicable	A majority of those in attendance in person or by proxy ²⁴

EXTRAORDINARY SHAREHOLDERS' MEETING (SINGLE CALL)

Constituent quorum	Quorum to pass resolutions
At least one-fifth of the share capital	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 in the last five years.

PERCENTAGE PARTICIPATION IN MEETINGS 2019 - 2023 (% 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/content/dam/snam/pages-attachments/en/governance/documents/2022/regolamento_assemblee%20\(2\).pdf](https://www.snam.it/content/dam/snam/pages-attachments/en/governance/documents/2022/regolamento_assemblee%20(2).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 2023

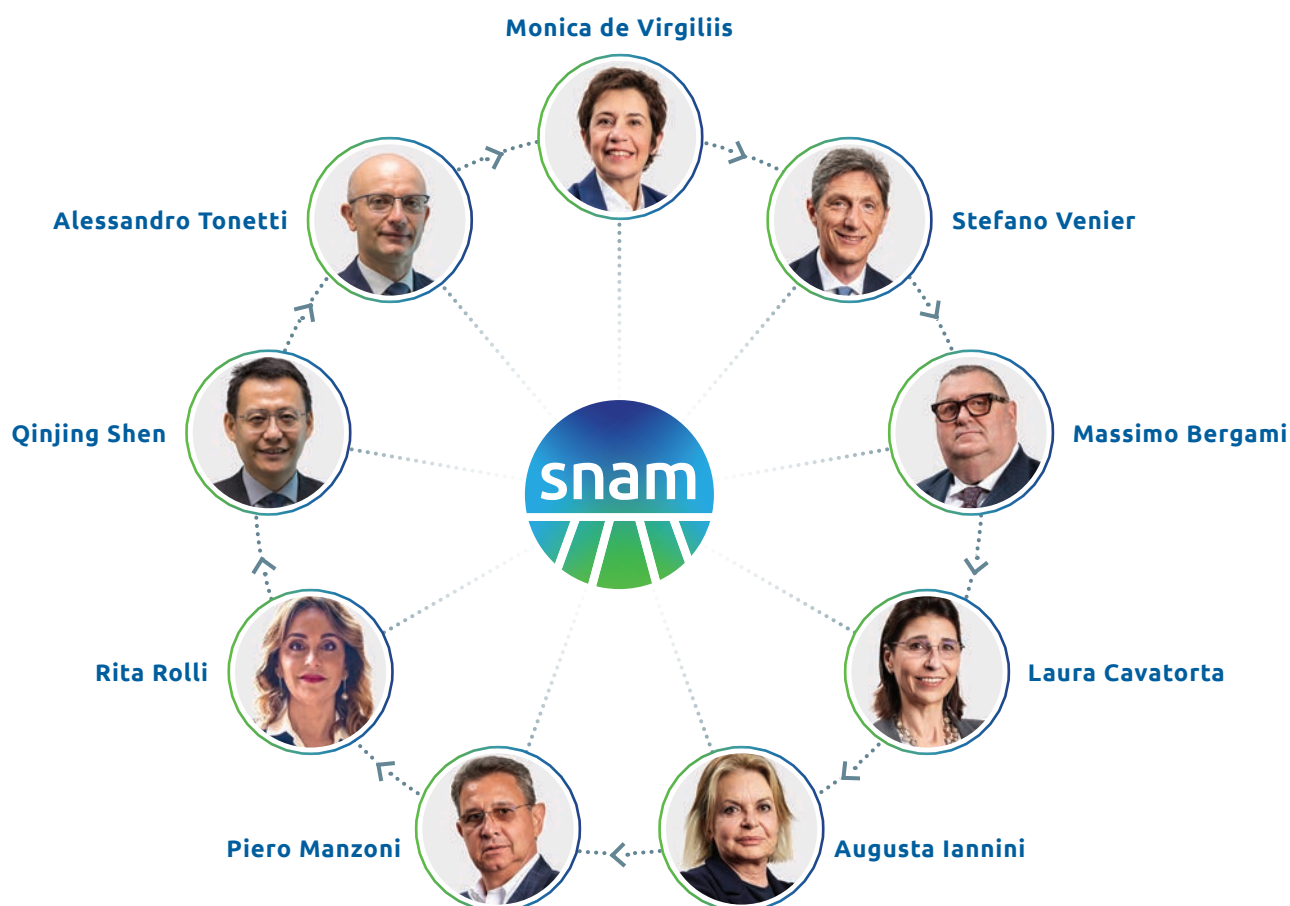
In the financial year 2023 the Shareholders' Meeting took place only once on 4 May 2023, in ordinary session, and resolved:

- to approve the financial statements as at 31 December 2022, 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 27 April 2022 for the unperformed part;
- the approval of the 2023-2025 long term share incentive plan.
- on the Report on the remuneration policy and compensations paid pursuant to Article 123- *ter* of TUF.

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

The Company availed itself of the option provided for by Article 106, paragraph 4, of Decree-Law No. 18 of 17 March 2020, 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.

GOVERNANCE STRUCTURE OF THE BOARD AND COMMITTEES



* The CEO is also General Manager of Snam S.p.A.

** The Chair, on behalf of the Board of Directors, coordinates and avails herself of:

- the Secretary of the Board, for board induction and board evaluation activities and activities pertaining to the Shareholders' Meeting, Board of Directors, Board committees and, to the extent necessary, control bodies;
- the Head of Internal Audit, for activities falling within the competence of the Internal Audit function reporting hierarchically to the Board



Inform and implement



Oversight and challenge



Coordinates and makes use of

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 and shown in the table in Annex 4.

<https://www.snam.it/content/dam/snam/pages-attachments/en/governance/documents/Snam%20-%20CdA%20-%20Attribuzioni%20riservate%20-%20Proposta%20-%20%20ENG.pdf.coredownload.pdf>

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

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. 92 of 31 January 2024, 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 the board evaluation and succession plans, please refer, respectively, to Paragraphs 2.13 and 2.14 of this Section.

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"> • Control and Risk and Related-Party Transactions Committee • Appointments and Compensation Committee • Environmental, Social & Governance and Energy Transition Scenarios Committee

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 (53.06% of the voting share capital), while the list submitted jointly by the institutional investors was voted for by 46.74% of the voting share capital. 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 (or 44%) belong to the least represented gender.** 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 Chair of the Board Committees belong to the least represented gender.

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 14 February 2024²⁸.

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

Our Directors

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

²⁶ Further information on the lists of candidates is available on the Company website (<https://www.snam.it/en/governance/corporate-governance/shareholders-meeting/past-meetings.html>).

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.

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/>.

- Industry experience
- Strategy
- Sustainability and/or climate change
- Finance, accounting and/or risk management
- Legal and compliance
- Corporate governance
- Human capital
- International Experience



Monica de Virgiliis

Chair of Snam S.p.A.

Age: **56**

in Snam since: **2016-2019 and from 2022**

CHAIRWOMAN	BACKGROUND
COMITATI -	<p>Monica de Virgiliis, born in Turin in 1967, has been Chair of Snam, one of the world's leading energy infrastructure companies, since April 2022. At Snam, she had already been an independent director and Chair of the Remuneration Committee in the three-year mandate 2016-2019.</p> <p>Monica de Virgiliis brings extensive management experience in multiple high-tech strategic sectors, switching between operational and strategic leadership roles, and acting as a business model and value chain turnaround pilot in markets impacted by digitisation. After an early part of her career in the semiconductor industry, holding roles including General Manager of the Wireless Multimedia Division of STMicroelectronics in Geneva and of the Industrial Microcontrollers Division of Infineon Technologies in Munich, starting from 2017 she opted to apply her technological expertise to the world of energy transformation.</p> <p>From 2017 to 2019, she was Chief Strategy Officer of the Commissariat à l'Energie Atomique et aux Energies Alternatives in Paris (CEA).</p> <p>Between 2015 and 2021 she served on the Board of Directors of Prysmian, between 2019 and 2021 on that of the French company Geodis, and between 2021 and 2022 on that of Saras. She is currently an independent director of Air Liquide S.A., a global market leader in technical gases for industrial and healthcare applications, of Georg Fischer AG, a global leader in fluid management listed in Switzerland, and, until May 2024, a member of the Supervisory Board of ASM International N.V., a leader in advanced semiconductor manufacturing systems, listed in Amsterdam.</p> <p>Determined to contribute to the energy transition and the transformation of industry in alignment with the Paris Agreement, she founded and chairs the non-profit association Chapter Zero France, a platform for dialogue between directors, investors and regulators that is part of the Climate Governance Initiative born out of a collaboration with the World Economic Forum in 2019.</p> <p>She holds a degree with honors in electronic engineering from the Polytechnic University of Turin. She is trilingual in French, English and Italian.</p>
EXPERIENCE & SKILLS 	
SUMMARY The participation of Monica de Virgiliis in Snam Board of Directors is valuable for her extensive managerial experience in high-tech sectors, her strategic vision of energy transformation and her commitment to the evolution of the sector in line with the Paris Agreement.	



Stefano Venier

Chief Executive Officer of Snam S.p.A.

Age: **60**

in Snam since: **2022**

CEO	BACKGROUND
COMITATI -	<p>Stefano Venier, born in Udine in 1963, has been CEO of Snam, one of the world's leading energy infrastructure companies, since April 2022.</p> <p>He has more than 30 years of managerial experience in the energy and utility sectors at Italian and international level.</p> <p>From 2014 to 2022 he was Chief Executive Officer of Hera, a listed multi-utility active in the energy, energy and water networks and environment sectors. In Hera he was also Energy Development and Market General Manager (2008-2014) and Business Development, Strategic Planning and Regulatory Affairs Director (2004-2008).</p> <p>From 1996 to 2004 he worked in the international consulting firm A.T Kearney, where he was first Senior Consultant dealing with energy, telecommunications and automotive, and later Vice Chairman Energy&Utilities, following some of the main Italian and European operators in the sector. From 1989 to 1996 he was with the Eni Group, where he held positions of increasing responsibility at national and international level in the areas of Strategic Planning, Market Analysis and Strategic Projects in the petrochemical sector.</p> <p>He started his career in 1987 at Electrolux, working in industrial automation. He holds a degree in Computer Science from the University of Udine and a Master's degree in Energy and Environmental Management and Economics from the Scuola Superiore Mattei.</p> <p>He is a member of the Board of Directors of the MIB Trieste School of Management as well as Industrie De Nora S.p.A.</p>
EXPERIENCE & SKILLS 	
SUMMARY Stefano Venier's long 30-year career in the energy and utilities sectors, including leadership roles at Hera and experience in strategic consulting firms such as A.T Kearney, uniquely qualify him to serve as both CEO of Snam and a valuable member of the Board of Directors.	



Massimo Bergami

Non-Executive and Independent Director of Snam S.p.A.

Age: **59**
in Snam since: **2022**

NON-EXECUTIVE AND INDEPENDENT	BACKGROUND
COMMITTEES - CNR; - CEGSTE	<p>He was born in Bologna in 1964. He has been an independent Director of Snam since 27 April 2022.</p> <p>He graduated with honours in Economics from the University of Bologna, holds a PhD in Business Management and has international experiences at the University of Michigan, University of Florida and New York University.</p> <p>He is currently Professor of Business Organisation at the University of Bologna and Dean of Bologna Business School. He is a non-executive director in Ferrarelle S.p.A. and in EFMD, the world association of business schools.</p> <p>He deals with organisational identity and is the author of numerous essays and publications in international scientific journals.</p> <p>He was a member of the Natural Capital Committee (Ministry for the Environment and Land and Sea protection), Economic Advisor to the Minister for Regional Affairs, Tourism and Sport, Coordinator of the White Paper on Innovation and Entrepreneurship and Advisor to the Minister of Defence.</p> <p>He has been and still is active in supporting research-innovation and entrepreneurship and has been Senior Advisor of the MAST Foundation since 2013.</p> <p>He has developed many years of experience in the governance of listed companies, as a member of the Control and Risk Committee in Brunello Cucinelli S.p.A. and Telecom Italia Media, member of the Remuneration Committee, Control Committee, Lead Independent Director in Ducati Motor Holding S.p.A. and Member of the Strategic Committee in Ferretti Group S.p.A.</p> <p>He is an Honorary Professor at Nankai University and at Mirbis and has been awarded the honours of Cavaliere and Commendatore dell'Ordine al Merito della Repubblica Italiana.</p>
EXPERIENCE & SKILLS 	
SUMMARY His profound academic expertise, extensive governance experience in listed companies, advisory roles for governmental bodies and commitment to research and innovation activities distinctively qualify him for the role of Board Member of Snam.	



Laura Cavatorta

Non-Executive and Independent Director of Snam S.p.A.

Age: **60**
in Snam since: **2019**

NON-EXECUTIVE AND INDEPENDENT	BACKGROUND
COMMITTEES - CCROP; - Chair CEGSTE	<p>She was born in Treviso in 1964.</p> <p>She has been an Independent Director of Snam since 2 April 2019.</p> <p>Graduated in sociology with honours.</p> <p>She gained more than 20 years of managerial experience in the Alitalia group, holding roles of increasing responsibility, in operational positions with 3,000-5,000 employees; she also managed the airline Air One from 2012 to 2014, bringing it back to breakeven.</p> <p>She has gained specific expertise on restructuring, mergers, acquisitions and commissioning, developing a particular sensitivity to human capital management and the many dimensions involved in any corporate change.</p> <p>She deals with corporate governance, with a specific focus on ESG issues and their different declinations, including climate change impacts, through which substantiating an approach aimed at sustainable development, over time. She follows the B Corp movement and its model of sustainable business, capable of developing profits together with a positive impact on society and the environment. She delves into 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.</p> <p>She supports gender equality, the development of female talent and careers based on merit, believing in the need for the full integration of women in all spheres of society and their deserved presence even in top positions.</p> <p>She is on the boards of the ESG European Institute and Fuori Quota, non-profit bodies active on sustainability and women's empowerment respectively; she collaborates in ASviS on the UN 2030 Agenda's Gender Equality goal.</p> <p>Since 2018 she has been an Independent Director of Infrastrutture Wireless Italiane, for which she is also Chair of the Sustainability Committee and member of the Nomination and Remuneration Committee.</p> <p>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.</p>
EXPERIENCE & SKILLS 	
SUMMARY The proven track record of Laura Cavatorta in managerial leadership within the Alitalia group, together with her deep experience in corporate restructuring, governance and dedication to sustainability, including gender equality and climate change, make her a valuable asset for the Snam Board of Directors.	




Augusta Iannini

Non-Executive and Independent Director of Snam S.p.A.

Age: **73**

in Snam since: **2022**

NON-EXECUTIVE AND INDEPENDENT	BACKGROUND
COMMITTEES - CCROPC	<p>She was born in L'Aquila on 20 January 1950. Since 27 April 2022, she has been an independent director of Snam. Graduated with honours in law from the University of Rome "La Sapienza", she embarked on a brilliant legal career, Lawyer, Magistrate from 1977 to 2012 covering, among others, the functions of investigating judge in criminal matters and judge for preliminary investigations.</p>
EXPERIENCE & SKILLS 	<p>Deputy Head of the Cabinet of the Minister of Justice from June 2001, from 13 December 2001 to 3 January 2005 she was Director General of Criminal Justice (also with the task of examining the codes of conduct drawn up by the associations representing the entities, pursuant to 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 Department of Justice Affairs (dealing, inter alia, with the administrative management of judicial activities in civil and criminal matters; with activities preliminary to the exercise by the Minister of his powers in procedural matters; with international cooperation in civil and criminal matters). Head of the Legislative Office of the Ministry of Justice from 8 June 2008 until June 2012.</p>
SUMMARY <p>The brilliant legal career of Augusta Iannini, evidenced by her extensive experience as a judge and her leadership roles in several institutions, together with her current positions on the boards of directors of leading companies and her numerous awards and honours, make her exceptionally suited to serve on Snam Board of Directors.</p>	<p>She served as Vice Chair of the Italian Data Protection Authority from 19 June 2012 to 25 June 2020. She is currently a member of the Board of Directors of Ospedale San Raffaele S.r.l., as well as a member of the Board of Directors of Lottomatica Group S.p.A. and member of the Advisory board of Fondazione Lottomatica; already a member of the Board of Directors of leading companies, she is 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 in commercial information. She also holds the position of Extraordinary Commissioner appointed by the Prefect of Rome for the mechanical-biological treatment plant (TMB) in Guidonia (RM). She is the author of numerous legal publications.</p> <p>She has received several honours over the years, including in 2009 the Bellisario Prize for Justice and the appointment of Knight of the National Order of the Legion of Honour; in 2012 the Minerva "Anna Maria Mammoliti" Career Award; in 2015 the ASSUD "Star of the South 2015" Award as an outstanding female figure in the world of the professions; and in 2017 the 100 Italian Excellence Award.</p>



Piero Manzoni

Non-Executive and Independent Director of Snam S.p.A.

Age: **61**


in Snam since: **2022**

NON-EXECUTIVE AND INDEPENDENT	BACKGROUND
COMMITTEES - Chair CCROPC	<p>He was born in Bergamo on 8 October 1962. Since 27 April 2022, he has been an independent director of Snam. He holds a degree in Mechanical Engineering with a specialisation in Technology from the Milan Polytechnic and a Master's degree in Business Administration from the Bocconi University of Milan.</p>
EXPERIENCE & SKILLS 	<p>He is the founder and legal representative of Simbiosi Srl, CEO of Neoruralehub, a company focused on climate change and biodiversity issues, Vice President of Confindustria Cisambiente, member of European Land Owner & Friends of Countryside, board member of Assolombarda's Lifescience group.</p>
SUMMARY <p>The extensive background of Piero Manzoni in engineering, business administration and sustainable initiatives, demonstrated through his leadership roles and commitment to climate change mitigation, uniquely place him as a valuable resource for Snam's Board of Directors.</p>	<p>In 2022, together with Tamburi Investment Partners, as founder and CEO, he set up Simbiosi S.r.l., a company whose objectives include optimising the use of natural resources, such as water, soil, air, energy, materials and biodiversity within the agrifood supply chain, and the efficiency of the food cycle (From Farm to Fork and back to Farm Again) according to the principles of the circular economy. Simbiosi's mission is also to mitigate the effects of climate change by using Nature Based Solution (NBS) for the use of clean, renewable and storable energy, emission management systems using artificial intelligence systems, and Environmental Block Chain systems for measuring decarbonisation in production processes, CO2 absorption systems within the soil according to regenerative ecosystem practices, production of fertilisers and soil conditioners from organic waste matrices, suitable for the development of regenerative agriculture models according to natural principles, and much more.</p> <p>From 2009 to 2016, he served as CEO and General Manager of Falck S.p.A. and Falck Renewables S.p.A.</p> <p>From 2006 to 2009, he was CEO of Atel Energia S.p.A. (now Alpiq), also serving as a member of the World Energy Council Italy.</p> <p>From 2001 to 2006, he worked for Siemens Italia, serving among others as Managing Director at Siemens Power, President of Telegyr S.p.A., President of Fiat Avio Power Service and President of Vatech Italia, as well as being a member of WEC Italia.</p> <p>From 1994 to 2001 he held various managerial positions in Italy and abroad and, among others, was CEO and Country Manager of ABB Asea Brown Boveri Libya in Tripoli after having been General Manager of ABB Italy's Power Solutions Business Area.</p>

**Rita Rolli**

Non-Executive and Independent Director of Snam S.p.A.

Age: **54**
in Snam since: **2019**

NON-EXECUTIVE AND INDEPENDENT	BACKGROUND
COMMITTEES - Chair CNR; - CEGSTE	<p>She was born in Forlì in 1969. She has been an independent Director of Snam since 2 April 2019. She graduated with honors in Law from the University of Bologna. She is lawyer licensed to the higher courts and practises in the fields of civil law, commercial and corporate law, in both court and arbitration proceedings, and corporate restructuring (Studio Galgano). She teaches as a full professor of Private Law at the Master of Law degree course of the Department of Legal Sciences at the University of Bologna. She holds the position of Statutory Auditor of the company Sogefi S.p.A. She holds the position of Director of the Fondazione della Cassa dei Risparmi di Forlì. Since April 2023 she has been an independent Director and Chair of the Sustainability Committee at Interpump Group S.p.A. She is the author of numerous publications and monographs and participates in the editorial board of prestigious law journals. Finally, the research scope of her publications is also geared towards providing answers to climate change issues in the legal field.</p>
EXPERIENCE & SKILLS 	
SUMMARY The deep legal knowledge, academic experience and dedication of Rita Rolli in tackling climate change in the legal field, together with her involvement in leading companies and focus on sustainability issues, make her a valuable resource for Snam's Board of Directors.	

**Qijing Shen**

Non-Executive Director of Snam S.p.A.

Age: **45**
in Snam since: **2022**


NON-EXECUTIVE	BACKGROUND
COMMITTEES - CEGSTE	<p>Born in Haining, Zhejiang, on 22 July 1978. Graduated with Master's Degree in Electrical Power System Engineering from Zhejiang University, China. He is currently 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 the Business Development&Strategy Department, State Grid International Development Co., LTD (2016-2021). Among his main roles in this office, he was Key Contact and coordinator of the extraordinary transactions for CPFL Energia in Brazil (Scope of the transaction: US\$9 billion, including the 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 (\$2.5bn, 2020); CGE, Chile (\$3bn, 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 ±800kV power transmission line. During the construction process, the team established an integrated plan to protect local animals and vegetation, particularly endangered species. At the end of the project, more than 95 per cent of the animals were saved and more than 25 per cent of the vegetation was prevented from deforestation. The reforestation plan has increased the biodiversity of the ecosystem. He served as Deputy Director of the Business Development&Strategy Department, State Grid International Development Co., LTD (2013-2016). Among his main assignments, he was Project Manager and Key Contact of the CDP Reti transaction (EUR 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 his main assignments, he was Project Manager for the purchase of 7 transmission concessions in Brazil from Spanish investors (USD 1 billion) in 2010. Participation in transactions involving NGCP, Philippines (2009), REN, Portugal (2011). He was Dispatching Engineer of the Dispatching Communication Centre, 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.</p>
EXPERIENCE & SKILLS 	
SUMMARY The extensive experience of Qijing Shen in international business development, strategic and sustainable energy projects, together with his commitment to promoting environmental goals, position him as a valuable resource for Snam's Board of Directors.	



Alessandro Tonetti

Non-Executive Director of Snam S.p.A.

Age: **46**
in Snam since: **2015**

<p>NON-EXECUTIVE</p> <hr/> <p>COMMITTEES - CNR</p> <hr/> <p>EXPERIENCE & SKILLS</p> <p></p> <hr/> <p>SUMMARY The consolidated legal and regulatory experience of Alessandro Tonetti, together with his proven leadership as Deputy General Manager of Cassa Depositi e Prestiti S.p.A. and his previous institutional roles, underline his valuable contribution to Snam's Board of Directors, enriching it with his profound expertise in legal, corporate and regulatory matters.</p>	<p>BACKGROUND</p> <p>Alessandro Tonetti, born in Ronciglione (VT) in 1977, is Deputy General Manager and Director of Legal, Corporate and Regulatory Affairs at Cassa Depositi e Prestiti S.p.A. After graduating in Law with honours from the University "La Sapienza" in Rome, he won two one-year scholarships for advanced studies in administrative sciences, with a focus on public economic law, under the direction of Prof. Sabino Cassese. Subsequently, he obtained a PhD in Administrative Law and the Organisation and Functioning of Public Administration from "La Sapienza" University and a postgraduate diploma in European Public Law from the Academy of European Public Law of the Capodistrian University of Athens.</p> <p>Since 2010, he has been an executive at Cassa Depositi e Prestiti S.p.A. From 2013 to 2016, he was first a member of the Technical Committee for economic policy coordination in support of the Prime Minister's Office, then from 2014, he was Deputy Head of the Cabinet of the Ministry of Economy and Finance.</p> <p>Previously, he was a member of the Advisory board for the regulation of public services, as well as of the Technical Secretariat of the National economic planning steering committee operating at the same Prime Minister's Office, supporting the work of the Interministerial Committee for Economic Planning.</p> <p>He is a member of the Board of Directors of Giubileo 2025, Open Fiber and Open Fiber Holdings and a member of the Management Committee of the special funds of the Istituto del 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 the Company was listed on the Stock Exchange) and a member of the Board of Directors of the Accademia delle Belle Arti di Firenze (2013 - 2016).</p>
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2.3 Snam's diversity policy

Snam, in accordance with Article 123-*bis*, paragraph 2, letter d-*bis*) of the TUF, has adopted a diversity policy applied in relation to the composition of the administrative and control bodies with respect to aspects such as age, gender composition and educational and professional background. This policy, which consists of the relevant regulatory and self-regulatory requirements as well as guidelines on the optimal composition of the Board of Directors, was most recently confirmed by the Board of Directors, upon proposal of ESGETSC, with the approval of this Report. As indicated in the aforementioned guidelines, expressed in view of the Shareholders' Meeting of 27 April 2022 and published on the Company's website, Snam believes that diversity is a value that makes a positive contribution to the effective action of the corporate bodies. In the composition of its administrative and control bodies Snam aims to include a range of different profiles, recognising that the proper

functioning of its bodies requires complementarity of experience and expertise, combined with diversity in terms of the genders and age groups. Among the accepted values, Snam considers positively the diversity of nationality and ethnic origin.

Furthermore, the Company has adopted a system of corporate policies for the Company personnel on diversity and inclusion, further declined into 4 appendices dedicated to the following vertical themes: gender equality; recruiting; harassment; and social gender transition³⁰.

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, as provided for in the aforementioned respective diversity policies - in the main areas in which diversity instances arise.

30 <https://www.snam.it/en/we-snam/people/for-our-people.html>

GENDER DIVERSITY

CORPORATE BODIES

Requirement

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 unit³¹.

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 (overall recruitment percentage in 2023: 29% women, 71% 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 17.9% in 2023;
- 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 aims to improve the percentage of pay differentiation. Specifically, it is -5% for managers and -7% for employees, the women/men pay differential in executives stands at -14% against a phenomenon of extraordinary turnover in line with the average rates recorded nationally;
- the presence, among the ESG objectives for the KPI management's Long-Term share-based Incentive Plan 2023-2025, cycle 2023-2025, concerning the increase in the number of women in managerial roles (executives and middle managers) with a minimum presence of women of 25,5%, a target of 26,5% and, as a maximum target, of 28%, starting from the percentage of the financial statements as of 31 December 2022 equal to 23,1%.

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.

31 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 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), with no deadline set for the application of this allocation criterion. 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 and even beyond the sixth consecutive term of office starting from the first renewal after 1 January 2020.

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 45 to 73, with an average age of 57;
- the age of Snam's statutory auditors ranges from 47 to 72, with an average age of 54.

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.

In April 2023, Snam obtained the [Gender Equality Certification](#), which is part of the measures included in the NRRP – Mission 5 “Inclusion and Cohesion”, among labor policies, to certify the effectiveness of organizational policies to reduce the gender gap in terms of: career opportunities, equal pay levels for equal tasks, policies for managing gender differences, parental care.

Snam has over the years launched 6 Employee Resources Groups: affinity groups led by employees who share the same values, interests and/or experiences who voluntarily come together and meet frequently to identify their needs in order to propose and develop initiatives aimed at the entire corporate population. To date there are 6 ERG’s and they involve a total of approximately 400 people. The issues that are managed by the ERGs refer to: parenting and care, disability, LGBTQ+, generational comparison, gender balance, STEM subjects. Each ERG aims to implement 2 initiatives per year dedicated to ERG members or scalable to the entire corporate population. ERGs collaborate with all Snam departments on initiatives pertaining to the relevant area (e.g.: welfare, internal and external communication, Snam institute, Employer branding). Some examples of initiatives: raising awareness of gender-based violence through a webinar with a specialized entity; pediatric disobstruction course for ERG parents dedicated to parenting, glossary with LGBTQ+ terms, accessibility mapping of all corporate offices.

Snam during the financial year also carried out an engagement survey with the aim of verifying the widespread perception among corporate resources with regard to the company’s strategic vision, corporate culture in terms of respect, inclusion, social innovation, efficiency of processes and tools, relationship with one’s manager and colleagues, and development and training opportunities. The thematic areas covered were: Sustainable Engagement; Well-being; Job Satisfaction; Work, Organization and Efficiency; Purpose, Drive and Trust; People; Supervisor; Diversity, Equity and Inclusion; Job Security, Total Rewards and Employability; Retention.

The survey revealed that the level of people engagement was above the benchmarks of the best Italian and industry companies in the world, with strong alignment on goals, and the quality of relationships between people, together with sustainable pressure levels and work-life balance, are particularly favorable such that they constitute value for the company.

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 approved the following [guidelines on the maximum number of offices](#) held by directors.

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 2023, 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. ³² Independent Director of Airliguide S.A. Independent Director of Georg Fischer AG
Stefano Venier	Non-Executive Director of Industrie De Nora S.p.A.
Laura Cavatorta	Independent Director of INWIT S.p.A. Independent Director of Unieuro S.p.A.
Augusta Iannini	Non-Executive Director of Ospedale San Raffaele S.r.l. Independent Director of Lottomatica Group S.p.A.
Rita Rolli	Standing Statutory Auditor of Sogefi S.p.A. Independent Director of Interpump Group 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 S.p.A.
Alessandro Tonetti	Non-Executive Director of Open Fiber S.p.A.

The [Board of Directors conducts periodic evaluations](#) of the external positions held by its Members with respect to the guidelines expressed on the maximum number of offices held by directors [to ensure that the number of relevant offices held by the same is compatible with the effective performance](#) of the function of Director of the Company.

Following a detailed review, the Board of Directors, at the meetings of 14 February 2024 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.

With reference to the offices held by the members of Snam's Board of Directors in other Italian or foreign listed companies, again based on the statements made by them and updated as of 31 December 2023, it should be noted that:

- the CEO does not hold (i) any other executive office, (ii) non-executive offices in more than one other

company besides Snam and (iii) the office of non-executive chair of the board of directors in other companies;

- none of Snam's non-executive directors hold (i) executive offices in any other company, (ii) non-executive offices in more than four other companies besides Snam, and (iii) the office of non-executive chair of the board of directors in other companies.

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.

32 On 16 February 2023, ASM International N.V. announced that Eng. de Virgiliis has decided not to serve as a supervisory board member for the second term. Therefore, her position will end in May 2024.

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 2023, 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 2023, 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 2023, the Chief Legal Officer & General Counsel (11 meetings out of 11) the Chief Financial Officer (11 meetings out of 11), the Financial Reporting Officer (7 meetings out of 11), *Chief Operations Officer* (5 meetings out of 11), *Chief Strategy & Technology Officer* (4 meetings out of 11), *Executive Director International Engineering Construction & Solutions* (3 meetings out of 11), *Executive Director Global Security & Cyber Defence* (2 meetings out of 11), *Chief International Officer* (2 meetings out of 11), *Chief Efficiency and Biomethane Officer* (1 meeting out of 11), *Chief People & Organization Officer* (1 meeting out of 11), *Chief Commercial & Regulatory Officer* (1 meeting out of 11), *Executive Director Internal Audit* (1 meeting out of 11), *Executive Director Corporate Services* (1 meeting out of 11) participated in the Board meetings, when dealing with the topics of their respective competences listed below in the summary of 2023 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 2023, 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

	2023
Number meetings	11
Average attendance of Directors	97%
Average attendance of Independent Directors	100%
Average meeting duration	208 minutes

The aforementioned meetings were held in mixed modes, in-person and remotely. 10 meetings are scheduled for 2024. 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 2023	
Massimo Bergami	100%
Laura Cavatorta	100%
Monica de Virgiliis	100%
Augusta Iannini	100%
Piero Manzoni	100%
Rita Rolli	100%
Qinjing Shen	82%
Alessandro Tonetti	91%
Stefano Venier	100%

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 2023:

STRATEGY AND FINANCE

- Periodic and interim financial reports and sustainability reporting.
- Dividends and buybacks.
- Strategic plan and budget.
- Transactions of the Company and its Subsidiaries and associated companies.
- Bond issues.




GOVERNANCE AND REMUNERATION

- Verifications with regard to the requirements of the law, the articles of association and self-regulation for directors.
- Activities of the board committees (reports on activities).
- Report on (i) remuneration policy for 2023 and remuneration paid in 2022 and (ii) corporate governance and ownership structure 2022.
- Remuneration of Directors for participation in Board Committees.
- Remuneration issues in general, including the review of incentive plans, as well as employee compensation and the gender pay gap.
- Internal regulatory review.
- CEO contingency succession plan.
- Board evaluation and induction.


INTERNAL CONTROLS AND RISK MANAGEMENT



- Assessment of the adequacy of: (i) the organisational, 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 administrative and accounting procedures.
- Audit Plan and Annual Budget of the Internal Audit function.
- Model 231 and the activities of the Supervisory Board.
- Guidelines on anti-corruption, market abuse, whistleblowing and enterprise risk management.
- Analysis of the Risk Appetite Framework and risks of the Company and its Subsidiaries including sustainability issues.
- Geopolitical issues.
- Global security and cybersecurity.
- Integrity and security of the natural gas transmission network.
- Fees of the auditing firm.

The following are some of the key decisions made by the Board of Directors during its term of office with an indication of the board committees involved:

-  Appointments and Compensation Committee
-  Control and Risk and Related-Party Transactions Committee
-  Environmental, Social & Governance and Energy Transition Scenarios Committee

PURCHASE FLOATING, STORAGE AND REGASIFICATION UNITS	
INTERESTED COMMITTEES	DECISION MADE
<p>CONTEXT</p> <p>Snam finalised the purchase of floating storage and regasification units Golar Tundra and BW Singapore</p>	<p>On 30 May 2022, Snam's Board of Directors approved Snam Group's acquisition of 100% of the share capital of Golar LNG NB 13 Corporation, which owns the floating storage and regasification unit (FSRU) "Golar Tundra" as its sole asset, for a consideration of \$350 million (approximately EUR 330 million).</p> <p>On 30 June 2023, the Board of Directors of Snam approved the acquisition of 100% of the share capital of FSRU I Limited, the company that owns the Floating, Storage and Regasification Unit (FSRU) "BW Singapore", for a total consideration of approximately \$400 million (approximately EUR 67 million).</p>


JOINT VENTURE FOR THE FIRST CARBON CAPTURE & STORAGE PROJECT IN ITALY	
INTERESTED COMMITTEES	DECISION MADE
<p></p> <p>CONTEXT</p> <p>Agreement through which Eni and Snam, in a 50/50 joint venture, will collaborate on the development and management of Phase 1 of the Ravenna CO2 Capture and Storage (CCS) Project</p>	<p>On 30 November 2022, the Board of Directors of Snam approved the signing of an agreement through which Eni and Snam, in a 50/50 joint venture, will collaborate on the development and management of Phase 1 of the Ravenna CO2 capture and storage (CCS) Project. The agreement also provides for the continuation of studies and preparatory activities for subsequent development phases.</p> <p>Phase 1 of the Ravenna CCS Project envisages the capture of 25 thousand tonnes of CO2 from Eni's natural gas treatment plant in Casalborssetti (Ravenna). Once captured, the CO2 will be piped to the Porto Corsini Mare Ovest platform and finally injected into the depleted gas field of the same name in the offshore Ravenna area.</p>

STRATEGIC PLAN 2022-2026	
INTERESTED COMMITTEES	DECISION MADE
<p> </p> <p>CONTEXT</p> <p>Snam's Board of Directors on 18 January 2023 approved the 2022- 2026 Strategic Plan</p>	<p>Investments and main targets to 2026</p> <ul style="list-style-type: none"> • Total investments in the 2022-2026 period: EUR 10 billion, +23% compared to the 2021-2025 plan (EUR 8.1 billion), mainly for the start-up of two FSRUs, the construction of the Adriatic Line, and the renewal and development of storage; • RAB: growth above 5% average per year in 2022-2026 (above 2.5% in the previous plan); • EBITDA: growth of around 7% on average per year in the period 2022-2026 (4.5% in the previous plan) due to investments in the period, regulatory components and the contribution of the energy transition business; • Net profit: growth of about 3% per on average per year over the period 2022-2026, despite rising interest rates; • Dividend: the minimum growth rate of 2.5% for previous years was extended to 2026; • Sound financial structure consistent with the metrics required by current credit ratings; • Confirmed commitment on emission reduction pathway to carbon neutrality by 2040 <p>Vision to 2030</p> <ul style="list-style-type: none"> • Investment opportunities in excess of EUR 20 billion in the period 2022-2030 on grids, storage and energy transition.

SALE OF ORDINARY SHARES OF INDUSTRIE DE NORA

INTERESTED COMMITTEES	DECISION MADE
<p>CONTEXT</p> <p>Conclusion of the sale of 11.5 million ordinary shares of Industrie De Nora to institutional investors</p>	<p>On 15 February 2023, the Board of Directors of Snam resolved that there were no obstacles to the sale by Asset Company 10 S.r.l., a wholly owned subsidiary of Snam S.p.A., Federico De Nora S.p.A. and Norfin S.p.A. (the "Sellers") of 11.5 million ordinary shares (the "Shares") of Industrie De Nora S.p.A. (the "Company"). The Shares were sold at a price of EUR 17.08 per Share for a total consideration of approximately EUR 196 million (the "Sale"). The transaction is aimed at increasing the free float and liquidity of the Company's shares.</p>

STRATEGIC PLAN 2023-2027

INTERESTED COMMITTEES	DECISION MADE
<p></p> <p>CONTEXT</p> <p>On 24 January 2024, Snam Board of Directors approved the 2023- 2027 Strategic Plan</p>	<p>Investments and main targets to 2027:</p> <ul style="list-style-type: none"> • Total investments in the period 2023-2027: EUR 11.5 billion, +15% compared to the 2022-2026 plan, earmarked for strengthening transport, storage and LNG infrastructure and transition businesses (biomethane, CCS, hydrogen and energy efficiency). 58% of net investments aligned with the Sustainable Development Goals and 37% with the European Taxonomy; • RAB (Regulatory Asset Base): growth above 6% average per year (5% in the previous plan); • Adjusted EBITDA: increase of 7.4% on average per year (around 7% in the previous plan) due to growth in investments, regulatory components and the contribution of the energy transition business; • Adjusted net profit: growth of around 4% on average per year (3% in the previous plan), despite higher interest rates; • Dividend: minimum growth increased to 3% (compared to the previous 2.5%); • Increase of the weight of sustainable finance in total funding to 85% by 2027 (80% in the previous plan); • Strengthened sustainability commitment in the medium-long term: net zero on all emissions (Scope 1, 2 and 3) by 2050 and new biodiversity target, with impact from neutral (2024) to positive by 2027. <p>Vision to 2032:</p> <ul style="list-style-type: none"> • Investment opportunities of up to EUR 26 billion in the period 2023-2032 focused on enhancing system security and flexibility, and aimed at energy transition also through the development of the hydrogen backbone.

Snam's commitment to improving operational efficiency and strategic direction is evidenced by proactive actions such as board induction and training sessions and strategic off-sites conducted by the Board of Directors and the Board of Statutory Auditors. These sessions ensured timely updates on the energy sector, energy transition, and strategic goals such as the role of hydrogen. Notable examples include sessions on the SnamTEC program, People Strategy, explorative innovation, and in the field of Carbon Capture and Storage. Strategic off-sites at the LNG Italia S.p.A. regasification plant, the Golar Tundra Floating Storage and Regasification Unit, and the Anzio biomethane plant facilitated the inductions. An important Board Retreat held in Rome and a cybersecurity training session further underlined Snam's proactive approach to addressing emerging challenges and seizing opportunities to meet global sustainability goals.

For further information on induction programs, strategic off-sites, and training sessions for directors and statutory auditors, see Section 5 Section III.

2.7 Chair of the Board of Directors

The Shareholders' Meeting of 27 aprile 2022 appointed Monica De Virgiliis 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 5 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 2023, 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, training sessions 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 meeting of 27 April 2022 the Board of Directors appointed Umberto Baldi, Chief Legal Officer & 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")³³.

2.10 Other executive directors

With the exception of the Chief Executive Officer, all the members of the current Board of Directors are non-executive³⁴, as (i) they do not hold the office of chief 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.

³³ For more information on the Director in Charge, see Section IV, Paragraph 1.2 (ii).

³⁴ 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.

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** (66.6%) **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 board³⁵. The presence of independent directors on both the Board of Directors and its Committees ensures that the interests of all shareholders are adequately protected. In addition, the Board of Directors has appointed an independent chair with clear responsibilities distinct from those of the CEO.

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 auditors³⁶. 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.

³⁵ Reference is made to Recommendation No. 5 of the Corporate Governance Code.

³⁶ Reference is made to Recommendation No. 7 of the Corporate Governance Code.

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 results of these assessments were the subject of a press release issued by the Board of Directors.

On 15 February 2024, the Board of Directors lastly 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 2 March 2023 the Board of Statutory Auditors ascertained, with reference to the 2023 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 2024 financial year has been carried out on 2 March 2024.

During the 2023 financial year, one meeting of only independent directors was held, coordinated by the director Manzoni, Chair of the Control and Risk and Related-Party Transactions Committee, where the following issues were discussed: (i) anti-corruption compliance and e-game Snam City; (ii) dynamics of meetings of corporate bodies and board committees, their frequency and participation; (iii) outcomes of 2022 board evaluation activities and improvement actions implemented; and (iv) related party transactions and conflicts of interest.

The Independent Directors informed the Board of Directors of this meeting at the Board meeting held on 19 December 2023.

2.12 Lead independent director

Snam has not appointed a lead independent director as the conditions set forth in the Corporate Governance Code for the appointment of such a role are not met³⁷. 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.

In addition to this, it should be noted that the independence of the directors and the relevance of the powers of the Independent Directors within the Snam Board of Directors are already adequately guaranteed to the extent that:

- Snam's percentage of independent directors, *i.e.* 66.6%, is higher than the average percentage of independent directors observed during the financial year 2023 in companies included in the FTSE MIB index, *i.e.* 63.4%³⁸;
- the Chair of the Board of Directors is independent;
- all the chairs of the board committees are independent directors and were drawn from the minority list.

Lastly, it should be noted that although a LID was not appointed for the aforementioned reasons, the Independent Directors met during the financial year 2023 to discuss various issues under the coordination of Independent Director Piero Manzoni, Chair of the Control and Risk and Related-Party Transactions Committee.

2.13 Board Evaluation

Self-assessment process

An evaluation of the organization and functioning of the Board and its Committees is conducted annually, coordinated by the Chair of the Board of Directors and supported by the ESGETS Committee.

In 2022, the Board chose to conduct the self-assessment with the support of the independent external advisor Spencer Stuart and to organize it according to a three-year roadmap consistent with the Board's term of office.

The work consists of:

- first year (2022): the baseline "snapshot", with a specific focus on issues related to the functioning of the Board and Committees;
- second year (2023): a focused assessment of the achieved progress and support to the analysis of the Board's culture accompanied by the analysis of individual contribution;
- year three (2024): the final evaluation, with an end-of-term review and a focus on the elements supporting the composition of the Board that will be elected in the next term.

37 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".

38 See Assonime - Report on Corporate Governance in Italy: the implementation of the Italian Corporate Governance Code (2023).

Self-assessment 2023

In the 2022 Board Evaluation, the Directors expressed great satisfaction and appreciation regarding the size, composition, and functioning of the Board of Directors and its Committees, the interaction with management and the Corporate Secretary, as well as the quality of the induction program.

The Board Evaluation covered three areas:

1. A simplified questionnaire on the level of satisfaction with the actions taken during the year following the findings of the 2022 Self-assessment;
2. A simplified survey on the functioning of the Board of Directors during 2023 that also includes the roles and responsibilities of the Directors;
3. An analysis of the dynamics of group behavior and Board culture.

The main outcomes of the Board Evaluation for 2023, carried out with the support of the same independent external advisor appointed for 2022, are as follows:

(1) Directors expressed a high level of satisfaction with the implementation of the requests made in 2022:

- the high level of attendance at meetings has been maintained;
- a larger group of frontline managers participated in strategic offsites;
- problem solving-style conversations on the energy transition were further expanded by inviting outside speakers;
- updates on topical issues relevant to the group's work are also provided at Board meetings and informal meetings;
- timely and excellent quality Board documentation was enhanced by executive summaries;
- a training session on cybersecurity was held by an external expert.

(2) Directors made suggestions to further streamline the operation of the Board and Committees:

- effectively manage the time available on agenda items through a constant fine-tuning process to balance the time devoted to presentation of items and the time set aside for reflection and discussion during Board meetings;
- continue holding formal and informal meetings with frontline management;
- continue optimizing the glossary of documents provided to the Board by enhancing support for understanding acronyms and technical content;
- given the satisfaction with the induction, information and training activities conducted during the year, provide initiatives dedicated to network security, cyber security and European sustainability regulation.

(3) The culture of the Board is characterized by interpersonal trust and mutual respect, a collaborative and committed attitude. The culture is characterized by well-structured planning, met deadlines, and clear responsibilities. The culture is characterized by a focus on problem solving and disciplined work organization, with accurate and timely supporting documentation.

For the future, Board members aim to promote long-term forward-looking perspectives by exploring new areas and innovation.

2.14 Succession plans

Snam pays particular attention to defining an evaluation process to be used as the basis for the [selection of candidates at corporate level](#). 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 at corporate level](#), i.e. Chief Financial Officer, Chief Commercial & Regulatory Officer, Chief Strategy and Technology Officer, Chief Legal Officer & General Counsel, Chief People & Organization Officer, Chief Operations Officer, Chief Efficiency and Biomethane Officer, Chief International Asset Management and Business Development³⁹.

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.

³⁹ As well as Snam's key management personnel, the Financial Reporting Officer and the Executive Director Internal Audit are taken into account in succession planning.

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 plans ⁴⁰.

On 30 November 2023, the Board of Directors, on the proposal of the ACC, approved a “contingency plan” in the event of temporary unavailability or premature termination of the CEO’s office, which provides for the following:

In the event of **temporary unavailability** – namely, where the CEO is not able to ensure adequate working ability (intended as the ability to fulfill his/her duties and exercise the prerogatives of the role, even remotely) for a period of more than 10 days – the following procedure is envisaged:

- the Chair urgently convenes the Board of Directors (within 24 hours);
- the Board of Directors temporarily grants the powers of the CEO and General Manager to the Chair of the Board of Directors as well as to other top management figures, based on a criterion of proximity of their respective competencies and attributions;
- the Chair takes care of the prompt communication to the market of what has taken place;
- the Board of Directors monitors and verifies the duration and conditions of the temporary unavailability (for a maximum period of 60 days).

In the event of **premature termination of the office** – namely, in case of resignation, revocation,

permanent impediment or continuation of temporary impediment beyond 60 days – the following procedure is provided:

- the Chair urgently convenes the Board of Directors (within 24 hours);
- the Board of Directors temporarily grants the powers of the CEO and General Manager to the Chair of the Board of Directors as well as to other top management figures, based on a criterion of proximity of their respective competencies and attributions;
- the Chair takes care of the prompt communication to the market of what has taken place;
- the Chair takes appropriate contacts with the shareholder from whose list the terminated CEO was drawn to establish a discussion on the situation, acquiring information and sharing the previously defined/updated ideal profile. Within 30 days, the approached shareholder provides input;
- the Board of Directors evaluates in autonomy and independence of judgment, and subject to the opinion of the ACC, the findings of the interlocutory process with the questioned shareholder and takes appropriate action. If there is no indication from the shareholder, a structured evaluation and selection process is initiated with the support of an external advisor;
- the appointment of the new CEO is ratified at the first available Shareholders’ Meeting.

The following table describes the main elements of the procedure.

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

CONTINGENCY PLAN

Trigger event	Key elements of the procedure	Process Owner
Temporary unavailability: occurs when the CEO is unable to ensure adequate working capacity, understood as the ability to fulfil his/her duties and exercise the prerogatives of the role, even remotely, for a period exceeding 10 days	<ul style="list-style-type: none"> • Emergency meeting of the Board of Directors (within 24 hours) • Allocation of management powers <i>ad interim</i> • Market Communication • Monitoring and verification of the duration and conditions of temporary unavailability (max. 60 days) 	Chair BoD Chair BoD
Early termination: occurs in the event of resignation, removal from office, definitive impediment or continuation of temporary unavailability beyond 60 days	<ul style="list-style-type: none"> • Emergency meeting of the Board of Directors (within 24 hours) • Allocation of management powers <i>ad interim</i> • Market Communication • Dialogue with the shareholder from the list of which the CEO was drawn in order to establish a discussion on his/her possible replacement. Within 30 days the shareholder provides its input • Evaluation, after consultation with the ACC, of the results of the interlocutory process with the respondent Shareholder • If there is no indication from the Shareholder or if the Board of Directors does not agree with the Shareholder's indications, a structured process of evaluation and selection of the new CEO is initiated with the support of an external advisor • If there are indications from the Shareholder on which there is consensus on the part of the Board of Directors, the process of package definition, co-option, and management powers delegation is carried out • Ratification of the appointment of the new CEO at the first useful Shareholders' Meeting 	Chair BoD Chair ACC and BoD ACC and BoD ACC and BoD Shareholders' meeting

2.15 Remuneration system for directors and key management personnel

The Board of Directors approves the [Report on the remuneration policy and compensations paid](#) 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 Report, see the Report on the remuneration policy and compensations paid published on the Company's website in the section dedicated to the Shareholders' Meeting of 7 May 2024.

The Remuneration Report is available on the Company website

<https://www.snam.it/content/dam/snam/pages-attachments/en/governance/documents/2023/assemblea-degli-azionisti/Remuneration-Report.pdf.coredownload.pdf>

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:

- **Control and Risk and Related-Party Transactions Committee;**
- **Appointments and Compensation Committee;**
- **Environmental, Social & Governance and Energy Transition Scenarios Committee⁴¹.**

Control and Risk and Related-Party Transactions Committee

The Control and Risk and Related Party Transactions Committee performs preliminary, propositional and advisory functions toward the Board of Directors and supports the Board's assessments and decisions relating to the internal control and risk management system, as well as those relating to the approval of periodic financial and non-financial reports. The Committee also undertakes such further duties as may be assigned to it by the Board of Directors regarding transactions in which directors and statutory auditors have an interest and related-party transactions.

Key Subjects:

- corporate accounting documents
- periodic, financial and non-financial information
- main business risks including sustainability risks
- internal audit
- internal control and risk management system
- composition, changes and integration of the supervisory body
- results presented by the auditing firm
- transactions in which directors and statutory auditors have an interest and related-party transactions

Appointments and Compensation Committee

The Appointments and Compensation Committee carries out preliminary, propositional and advisory functions toward the Board of Directors on the composition and size of the Board and Committees, as well as on equal treatment and opportunities between genders regard to the activities under its purview and on remuneration matters.

Key Subjects:

- composition of the Board of Directors and internal committees
- identification of director candidates
- succession plans
- candidates for the board of directors of consolidated subsidiaries
- identification of strategic investee companies
- candidates for Executive Director Internal Audit
- maximum number of offices and assessments of the requirements of directors
- remuneration and performance targets

Environmental, Social & Governance and Energy Transition Scenarios Committee

The Environmental, Social & Governance and Energy Transition Scenarios Committee 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 chain with particular reference to the following issues: climate transition and technological innovation; energy access and energy sustainability; environment and energy efficiency; health, well-being and safety of people and local communities; respect for and protection of rights, particularly human rights; integrity and transparency; diversity and inclusion; and corporate governance.

Key Subjects:

- corporate governance system
- sustainable finance initiatives and ethical sustainability indices
- board review
- diversity policies pursuant to Article 123-bis, paragraph 2, letter d) bis, TUF
- policies on human rights, business ethics and integrity, diversity and inclusion
- international environmental, social and governance initiatives
- policy of managing dialogue with the generality of shareholders
- long-term energy transition scenarios
- integration of ESG issues into the business model also through the analysis of relevant KPIs
- guidelines, objectives, processes and sustainability reporting
- definition and reporting of ESG performance targets
- profit and non-profit strategy and gas & energy transition advocacy

For a full description of the competences of the Committees, please refer to Appendix 6 to this Report and the Regulations available at <https://www.snam.it/en/governance/corporate-governance.html>

In order to improve operational efficiency and foster collaboration and synergistic work within the Board of Directors, the Board itself opted to merge the Appointments Committee and the Compensation Committee into a single committee. This choice was also made in light of the contiguity of the issues dealt with and the awareness that it would foster close coordination among the Board members, the exchange of information and the best use of their expertise as

well as streamline the decision-making process. This choice reflects the Board's commitment to maintain a strong adaptability and to continuously improve its governance practices so that it can respond nimbly and responsively to Snam's evolving needs, and it has made possible to increase synergies, facilitate information flows to the Board of Directors and reduce operating costs, increasing the effectiveness of Board action and improving internal Board dynamics.

41 This name was changed to "Sustainability and Energy Transition Scenarios Committee" by resolution of the Board of Directors on 13 March 2024.

In order to review matters of common interest, the Committees also met in joint sessions. 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" 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.

The Chair also ensures that all members have the opportunity to express their views on the topics discussed.

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.

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 CRRPTC.
- 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 Secretary takes 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 therein⁴².

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

In the course of 2023, 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.

Furthermore, still during 2023, meetings were also held in joint sessions between the Committees on issues of cross-cutting interest, in accordance with the rules set forth in their respective regulations. This mode enables effective coordination among the Committees as well as timely exchange of information and active discussion on common issues.

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

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.

Tasks

The Remuneration Committee carries out preliminary, propositional and advisory functions⁴³ 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 also undertakes such further duties as may be assigned to it by the Board of Directors regarding transactions in which directors and statutory auditors have an interest and related-party transactions.

Activities

The Committee met 8 times in 2023, with attendance of 100%. The average duration of Committee meetings was 214 minutes.

Below is a brief description of the [main activities](#) performed by the CRRPTC during the 2023 financial year.

43 For a more detailed description of the duties of the CRRPTC, see Annex 6 to this Report.

ACTIVITIES OF A NON-RECURRING NATURE

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

- Update on cooperative compliance procedure, tax activity and tax litigation.
- Disclosure regarding the release of the Tax Transparency Report.
- Update on monitoring for the analysis regarding the use of a single supplier for consultancy and professional services required in the year 2022 and the first half of 2023.
- Examination: (i) of the follow up on the audit *"Activities for the assignment of gas pipeline construction contracts"*; (ii) of the audit *"Activities for the assignment and management of construction supervision contracts"*.
- Insights into construction site safety.
- Examination of the status of the Snam group litigation.
- Examination of the main proposals for updating the "Enterprise Risk Management" Guideline.
- Examination of proposed changes to the Guideline *"Notifications, anonymous or otherwise, received by Snam and its subsidiaries"*.
- Examination of proposed changes to the Market Abuse Guidelines, developed as part of the ordinary process of monitoring any relevant regulatory interventions, interpretative guidelines and/or market practices as well as the effectiveness demonstrated by the Guideline in concrete practice.
- Examination of a policy on the use of artificial intelligence.
- Disclosure regarding alternative performance indicators.

ACTIVITIES OF A RECURRING NATURE

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

- Examination of the methodology and analysis of risks from Strategy Plan 2022 – 2026 and its assessment on the consistency of the identified risks with the identified strategic objectives.
- Analysis of issues regarding: i) analysis of the "Risk Appetite Framework" developed under the ERM system; ii) update of ERM risk and opportunity mapping to Q4 2022; iii) update of mapping to Q2 2023 with a focus on cybersecurity and geopolitical risk.
- 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.
- Initiation of project activities related to Climate Change Risk Management.
- Examination of the activities carried out with regard to the periodic analysis of financial risks.
- Monitoring the activities carried out by the Enterprise Risk Management function.
- Supporting the Board of Directors in establishing guidelines for the internal control and risk management system.

OVERSIGHT OF THE INTERNAL AUDIT FUNCTION

- Examination of the proposal for the final account of the 2022 objective sheet applied to the SVP Internal Audit and analysis of the proposed 2023 objectives.
- Examination of the activities carried out by the Internal Audit Function in the reporting quarters, follow-up situation and notifications including anonymous reports.
- Analysis of the proposed 2023 Audit Plan and budget of the Internal Audit Function's for 2023.
- Examination of the remuneration proposal for the Executive Director Internal Audit.

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.
- Analysis of issues regarding: i) Corporate Governance Report 2022 to the extent relevant; ii) Compliance Report 2022.

FINANCIAL AND SUSTAINABILITY REPORTING

- Examination of the methodology and findings of the Impairment Test – IAS 36 Standard.
- 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 consolidated non-financial statement pursuant to Leg. Decree 254 of 2016, of the Sustainability Report 2022 and of the Climate Change Report, drawn-up on the basis of guidelines made by the Task Force on Climate Related Financial Disclosure.

LEGISLATIVE DECREE NO. 231 OF 2001

- Illustration of the activities carried out by the Supervisory Board in the second half of 2022 and the first half of 2023.
- Disclosure on the outcomes of the risk assessment and gap analysis activities carried out in the "Q4 2022 Campaign" in order to incorporate the organisational changes occurred in 2022 into Snam S.p.A.'s 231 Model.
- Disclosure on the process of handling notifications under Snam S.p.A.'s whistleblowing system, also taking into account regulatory developments.

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

- Annual assessment of the Guideline on "Transactions involving the interests of the directors and statutory auditors and transactions with related parties".
- Issuance of an opinion on a related-party transaction of lesser importance.
- Examination of the correct application, with reference to a related-party transaction, of the case of exclusion provided for transactions that can be configured as regular transactions concluded on market or standard equivalent terms.

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/content/dam/snam/pages-attachments/en/governance/documents/regolamenti/Snam-S.p.A.-CCROPC-Regolamento-funzionamento%20ENG.pdf>

The Committee reported to the Board of Directors at the Board meeting of 27 July 2023, on the activities carried out in the first semester of 2023, as well as at the meeting of 13 March 2024 on the activities carried out in the second semester of 2023. 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 2024, the Committee has defined its calendar and has scheduled 9 meetings. As of the date of approval of this Report, 4 meetings have already been held.

During 2023, constantly attended the meetings of the Committee, in accordance with the Regulation of the CRRPTC, upon invitation by the Chair of the CRRPTC, in order to provide information and explanations, in addition to external advisors who took part by virtue of the specific nature of the matters dealt with, also the following representatives of the corporate functions: Chief Legal Officer & General Counsel, Chief Operations Officer, Executive Director Internal Audit, Chief Financial Officer and Financial Reporting 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

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.

Tasks

The ACC carries out preliminary, propositional and advisory⁴⁴ functions toward the Board of Directors:

- on the [composition and size of the Board and Committees](#), as well as on [equal treatment and opportunities between genders regard to the activities under its purview](#);
- on [remuneration](#) matters.

Activities

The ACC met 14 times in 2023, with 88% average attendance of the members. The average duration of Committee meetings was 89 minutes.

Below is a brief description of the [main activities](#) performed by the ACC during the 2023 financial year.

ACTIVITIES

- Final account of the annual monetary incentive plan and long-term share-based incentive plans accrued.
- Examination of severance agreements for the CEO.
- Examination of the proposed 2023 remuneration structure for the Executive Director Internal Audit.
- Examination of proposed candidacies for the governing bodies of subsidiaries included in the Committee's area of responsibility.
- Examination of the CEO Contingency Plan.
- Proposed determination of criteria for identifying the strategic companies
- Proposal regarding the limits and prohibitions on the maximum number of offices held by the Directors of Snam S.p.A. in accordance with the Corporate Governance Code.
- Examination and approval of the 2023 Report on Remuneration Policy and Compensation Paid and its contents.
- Analysis of the shareholders' meeting vote on the 2022 Report on the Remuneration Policy and Compensation Paid, with a focus on the vote cast by institutional investors and proxy advisors' representation of key concerns regarding voting directions.
- Examination and approval of the proposed performance goal setting for the purpose of the annual monetary incentive plan and the LTI Plan 2023-2025.

⁴⁴ For a more detailed description of the duties of the ACC, see Annex 6 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/content/dam/snam/pages-attachments/en/governance/documents/2023/Snam-S.p.A.-CNR-Regolamento-di-funzionamento_ENG.pdf.coredownload.pdf

The Committee reported to the Board of Directors at the Board meeting of 27 July 2023 on the activities carried out, in the first semester 2023, as well as at the meeting of 13 March 2024, and on the activities carried out in the second semester of 2023. 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 2024, the Committee has defined its own calendar and has scheduled 8 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.

During 2023, constantly attended the meetings of the Committee, in accordance with the Regulation of the ACC, upon invitation by the Chair of the ACC, in order to provide information and explanations, in addition to external advisors who took part by virtue of the specific nature of the matters dealt with, the following representatives of the corporate functions: Chief Legal Officer & General Counsel, Chief People & Organization Officer and Financial Reporting Officer.

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

3.3 Environmental, Social & Governance and Energy Transition Scenarios Committee

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.

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 chain with particular reference to the following issues: climate transition and technological innovation; energy access and energy sustainability; environment and energy efficiency; health, well-being and safety of people and local communities; respect for and protection of rights, particularly human rights; integrity and transparency; diversity and inclusion; and corporate governance⁴⁵.

Activities

The ESGETSC met 11 times in 2023, with 91% average attendance of its members. The average duration of Committee meetings was 129 minutes.

Below is a brief description of the **main activities** performed by the ESETSC during the 2023 financial year.

ACTIVITIES

- 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 2022 and the various initiatives planned for 2023 in the area of diversity, equality & inclusion.
- Snam's corruption prevention policy in accordance with UNI ISO 37001:2016.
- Examination of the evidence that emerged as a result of the board evaluation process of the Board of Directors for 2022.
- Review of the Report on Corporate Governance and Ownership Structure 2022, including policies on diversity issues and Recommendations of the Corporate Governance Committee.
- Proposal for new performance objectives linked to ESG factors in long-term share-based incentive plans and annual monetary incentive plans.
- Receipt of information on periodic monitoring of the engagement related to corporate resources.
- Examination of sustainable finance initiatives.
- Update for the purpose of emission monitoring.
- Examination of ESG risks in the context of the Strategic Plan 2022-2026 and decarbonization goals.
- Examination of the ERM risk register from an ESG perspective.
- Update on the activities of Fondazione Snam ETS, illustration of the new Fondazione Snam ETS strategy, and review of the achieved results of other for-profit and nonprofit initiatives undertaken in 2022.
- Examination of the new sustainability strategy.
- Examination of sustainability documents, i.e.: (i) Sustainability Report, (ii) Climate Change Report, (iii) NFS.
- Examination of national scenarios for the purpose of preparing transmission and transportation network development plans in the electricity and gas sectors.
- Examination of (i) international environmental, social, and governance initiatives; (ii) Directive (EU) 2023/970 of 10 May 2023 on gender pay gap; (iii) Snam's regulatory framework and positioning on minimum wage.
- Analysis related to the correct application of the shareholders' engagement policy.
- Examination of the findings of the engagement survey launched by Snam with the aim of verifying the widespread perception among corporate resources with regard to the company's strategic vision, corporate culture in terms of respect, inclusion, social innovation, efficiency of processes and tools, relationship with one's manager and colleagues, and development and training opportunities.

On 23 January 2024, the Committee reviewed the new sustainability scorecard aligned with the new sustainability strategy. For further information, please refer to paragraph 2.1 of Section I.

On 11 March 2024, the Committee reviewed the document "Snam's climate commitment and advocacy position. Involvement in Stakeholders' Associations and Coalitions", which describes the Company's commitment in relation to climate objectives, giving evidence of lobbying activities carried out at the Italian and European level oriented to this end.

The Regulation of the ESETSC was most recently amended by the Board of Directors on 13 March 2024.

The Regulations of the ESETSC are available on the Company's website

<https://www.snam.it/content/dam/snam/pages-attachments/en/governance/documents/2024/Snam%20S.p.A.%202024%2003%2013%20Sustainability%20and%20Energy%20Transition%20Scenarios%20Committee%20ENG.pdf.coredownload.pdf>

The Committee reported to the Board of Directors at the Board meeting of 27 July 2023 on the activities carried out in the first semester of 2023, as well as at the meeting of 13 March 2024 on the activities carried out in the second semester of 2023. 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 2024, the Committee has defined its calendar and has scheduled 11 meetings. As of the date of approval of this Report, 5 meetings have already been held.

During 2023, constantly attended the meetings of the Committee, in accordance with the Regulation of the ESETSC, upon invitation by the Chair of the ESETSC, in order to provide information and explanations, in addition to external advisors who took part by virtue of the specific nature of the matters dealt with, the following representatives of the corporate functions: Chief Legal Officer & General Counsel, Chief People & Organization Officer, Chief Financial Officer, Chief Operations Officer, Director Sustainability & Social Impact, Chief Strategy and Technology Officer.

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

Consistent with the sustainability strategy undertaken by the Company, the name of the Committee was changed to the Sustainability and Energy Transition Scenarios Committee by resolution of the Board of Directors on 13 March 2024.

4. Snam's Board of Statutory Auditors and the 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 the applicable external auditors regulation), the Board of Statutory Auditors also performs supervisory functions in its capacity as the "**Internal Control and Audit Committee**".

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 89.56% of the voting share capital (the list receiving the most votes), while the list submitted jointly by the institutional investors was voted for by 9.6% of the voting 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 below⁴⁶.

⁴⁶ 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

Stefano Gnocchi has an extensive background in finance, governance, and risk management, combined with more than twenty years of professional experience in various industries, including energy and utilities.

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).

Partner in charge of consulting services and member of the Board of Directors of Fidiger Advisory S.p.A. a company of the Pirola Pennuto Zei & associati Group.

He is Chair of the board of statutory auditors of Snam, member of the Supervisory Board and Chair of the Risk Committee of Deutsche Bank in Italy, 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

Gianfranco Chinellato has extensive expertise in tax law and corporate governance, refined over decades of advising a wide range of domestic and international entities.

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 Advisers 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, currently the Lazio Tax Court of Justice of Second Instance.

Since 2023 member of the Board of Auditors of the Competition and Market Authority ("AGCM/ANTITRUST").

Ines Gandini - Standing Auditor

Nationality: Italian

Professional background: Chartered accountant and auditor

Ines Gandini has a wide experience and a successful career in corporate governance and finance. A chartered accountant and auditor, she has a deep expertise in tax law and corporate matters, refined through roles in prestigious law firms and institutions.

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.

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.

She deals with Corporate Governance, takes the course on Climate Change and Corporate Governance promoted by Chapter Zero Italy and approved by the Climate Governance

Initiative, the advanced course in Governance, Risk and Compliance at Luiss Business School - Board Academy, and the ESG Analysis & Investing specialization course on the integration of ESG issues in financial analysis and investment at the Politecnico di Milano. She is in the Board of Directors of Nedcommunity as well as head of Rome Chapter.

She is an independent director of Italo – Nuovo Trasporto Viaggatori S.p.A., Fideuram Vita S.p.A. – Gruppo Intesa Sanpaolo, Fondo Italiano d'Investimento SGR 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; Chair of the Board of Statutory Auditors of Acea Produzione S.p.A., Standing Auditor of Leonardo Global Solutions S.p.A., Standing Auditor of Nexive Network S.r.l. – Poste Italiane Group and of Holding Reti Autostradali S.p.A., Cassa Depositi e Prestiti Group. She is member of the Compliance/Control Body of the Milan Cortina 2026 Foundation.

Federica Albizzati - Alternate Auditor

Nationality: Italian

Professional background: Chartered accountant and auditor

Federica Albizzati has developed a broad experience as a chartered accountant and auditor, specializing in corporate and tax consulting. Federica Albizzati has more than twenty years of experience in extraordinary transactions and corporate groups.

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

Maria Gimigliano has broad expertise in auditing and governance. She has served and is a regular auditor and member of supervisory bodies for several companies.

Born in Naples on 2 June 1976.

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

She has been a member of the Order of Chartered Accountants and Accounting experts of Milan since 2006, as well as a member of the Register of Auditors since 2007.

She is standing auditor of Banca Progetto S.p.A. (from 2016 to 2019), standing auditor and member of the Supervisory Board di Cedacri S.p.A. (from 2018 to 2020), standing auditor and member of the Supervisory Board of Oasi S.p.A. (from 2019 to 2020), standing auditor of Miecì S.p.A. (from 2020 to 2023) and Evolve S.p.A. (from 2020 to 2023) (subsidiaries of Snam), standing auditor of Nonino Distillatori S.p.A. (from 2007 to 2016), and of Nonino S.p.A. (from 2009 to 2016).

From 2000 to 2006, she advised on professional, advisory, management consulting and family business issues for Impresa Sviluppo S.r.l. (a consulting firm founded by a group of Bocconi University professors). From 2003 to 2006, she was Adjunct Professor of Health Economics, Bachelor of Science in Physiotherapy, for the Second University of Naples.

She is Chair of the Board of Auditors of the Luigi Bocconi Commercial University, standing statutory auditor of Infrastrutture Trasporto Gas S.p.A., Tep Energy Solution S.r.l., Asset Company 2 S.r.l. (subsidiaries of Snam), B4i Fund SIS S.p.A., Surfaces Technological Abrasives S.p.A. and some of the latter's subsidiaries, Ennefin S.p.A. and Centotrenta Servicing S.p.A. She is an alternate statutory auditor of Snam Rete Gas S.p.A. and Fondazione Snam ETS.

She is a director at Wepartner S.p.A. since 2006.

Federico Sambolino - Alternate Auditor

Nationality: Italian

Professional background: Chartered accountant and auditor

Federico Sambolino has broad expertise in economics and accounting as a partner in a leading corporate and tax consulting firm.

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 7 May 2024.

Meetings of the Board of Statutory Auditors

The Board of Statutory Auditors met 12 times in 2023; with 100% average attendance of its members (see Table 2 in Section VI). The average duration of the meetings was 185 minutes.

For 2024, the Board of Statutory Auditors has scheduled 11 meetings. As of the date of approval of this Report, 3 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 2023.

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.

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. These criteria, set forth below, are based on the so-called "Benchmark", identified as the average compensation received by non-executive directors and statutory auditors, respectively, for the office and for any participation in the board committees, as calculated by the Corporate

Secretary's office, or by the Chair during the last year of the previous term. 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 the Consolidated Financial Act and 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 12 March 2024.

4.2 Board of Statutory Auditors evaluation

The Board of Statutory Auditors decided not to carry out its self-assessment related to the financial year 2023 in light of the positive results of the process conducted, through the assistance of an external advisor, in the previous financial year and in view of the specific activity already planned at the close of the mandate.

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, strategic off-sites and training session 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, and training, off-sites and board retreat sessions.

These activities, 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 carbon capture and storage. The sessions were designed and led by the management teams of the relevant departments and by industry experts.

The following table provides a summary of the activities carried out in 2023.

	Date	Object	Detail
Induction	10 May	Regulation (6th period)	6th period of tariff regulation with a focus on revision process, main contents and expected impacts.
		Advocacy EU: key dossiers	Main European dossiers with a focus on decarbonization, hydrogen, main legislative proposals (e.g. methane emissions regulation, RED III, Net zero industry act, communication on H2 Bank) and access to European programs and related funds.
	21 June	SnamTEC Program	SnamTEC program, an applied industrial innovation program involving technologies including sensors, telediagnosics, internet of things, artificial intelligence, augmented and virtual reality, drones and satellites.
	27 July	People Strategy	Key elements of the new people strategy 2023-2025 and related focus areas such as organization optimization, reward transparency, people developing organization, work better and on the communication campaign.
	11 October	Open explorative innovation	Open explorative innovation processes to capture both internal and external innovation opportunities through new technologies such as generative artificial intelligence and alternative solutions in decarbonization and hydrogen as well as on Snam's acceleration programs.
CCS research (Snam/Eni/Ambrosetti): strategic perspective for Ravenna hub		Carbon Capture and Storage as a decarbonization technology for hard-to-abate industry with a special focus on European projects, funding tools and in particular the Ravenna CCS Project.	
Strategic off-sites visits	21 June	GNL Italia S.p.A. regasification plant	Visit to the regasification plant in Panigaglia (SP) where the operation of the terminal, which meets stringent international standards, and the modern technologies it uses for safety and environmental protection were demonstrated.
	22 June	FSRU Golar Tundra	Visit aboard the regasifying ship at the port of Piombino (Livorno) in which the operation and technologies it uses and related safety measures were explained.
	8 November	Biomethane plant	Visit to the Anzio (Rome) plant for processing organic waste, collected from surrounding municipalities, into biomethane, clean energy that is fed directly into the national gas transmission grid, and into compost, a valuable organic soil conditioner that can be used in agriculture.
Board retreat	20 September	Strategic board retreat	Held in Rome and focused on decarbonization scenarios, challenges and opportunities on the use of electrons and clean molecules, role of Snam and other key players in achieving global net zero greenhouse gas emission targets by 2050.
Training session	20 December	Cybersecurity	Cybersecurity training session in which Directors were able to learn more about security in support of the business. In addition to the baseline scenario, potential threats to the Company's data and services, recent international standards and regulations, and future challenges in threat intelligence, cybersecurity spending, and compliance were explained.

Among other topics, it should be noted that the Board of Directors devoted an extensive and constructive discussion to the topic of global security and cybersecurity in December 2023. In this context, the Board of Directors was updated on the activities carried out by the relevant function of the Company, including in light of the geopolitical situation and relevant global macro trends, sharing the importance of the topic as well as the need for continuous monitoring and ensuring the adequacy of safeguards.

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.

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.

Snam guarantees the systematic dissemination to investors, the market and the media of comprehensive and timely information on its activities, constantly updated also on the Company's website, particularly in the “Investor relations” section. 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**, believing that the involvement of shareholders and the establishment of a relationship of trust with them represent strategic elements. With this in mind, also in 2023, 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.

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 “Investor Relations” section of the Company's website⁴⁷, 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 implementation 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”).

It operates with a holistic approach, regulating all stages and methods of dialogue with stakeholders. The following table summarizes the main provisions of the Engagement Policy.

47 The Engagement Policy is available on the Company's website at the following link: <https://www.snam.it/en/investor-relations/engagement-policy.html>.

Matter	Regulation
Means of dialogue	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	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; (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.
Subject of the dialogue	The dialogue between the Company and the Interested Parties may concern, among other things: (i) management performance, financial statements and periodic financial results; (ii) corporate strategy; (iii) transactions of significant strategic, economic, equity or financial importance; (iv) the corporate governance system; (v) the appointment and composition of corporate bodies (including board committees); (vi) environmental, social and sustainability issues; (vii) the remuneration policy for directors and executives with strategic responsibilities.
Roles	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 among other things reports periodically, and promptly on the occasion of significant events, to the Board of Directors with regard to procedures for managing dialogue; (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	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	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	The ESGETSC 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 ESGETSC on 21 November 2023 has lastly 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 2023, an [engagement activity was carried out](#) before the Shareholders' Meeting [with the main proxy advisers](#), aimed at a productive discussion on *corporate governance* issues, but also on environmental and social aspects, as well as on the remuneration policy.

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

- 34 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;
- 366 investors were met, including more than 260 investors with ESG views.

During 2023, requests for engagement arrived at the Company through engagement letters from some investors or some investor associations, to which the Company, through the Investor Relations function, promptly replied in writing or in dedicated meetings. Because of the comprehensiveness of the feedback provided, it was not necessary to activate a direct dialogue with the members of the Board of Directors pursuant to the Engagement Policy.

Moreover, in the early months of 2023, Snam launched a [direct engagement activity](#) with a number of institutional investors shareholders of Snam by organizing a roadshow dedicated to governance and sustainability issues prior and after to the 2023 Shareholders' Meeting. In the context of this activity, the Chair, accompanied by the support functions, proactively met with the stewardship teams of the largest institutional investors of Snam who provided

valuable feedback on a variety of topics ranging from remuneration to climate change. Snam intends to continue this activity during 2023-2024 to gather direct feedback from institutional investors to further strengthen its practices and disclosures also in light of the expectations of its diverse and expanding investor base. Particular focus of the engagement program will be the presentation of the new sustainability framework, emission reduction and biodiversity-related targets.

Every year, before the Shareholders' Meeting, "The Snam Shareholder" guide, an additional engagement tool with investors, is published on Snam's website⁴⁸, 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.

6.3 Stakeholder Engagement Policy

Snam is committed to fostering a transparent and collaborative relationship not only with shareholders but with all of its stakeholders. In order to ensure a [consistent approach for the entire Snam Group to stakeholder engagement activities](#), since 2016 the Group has adopted a [Stakeholder Engagement Policy](#), most recently updated in 2023, which defines Snam's approach on the topic. Based on this policy, which is available in the "ESG" section of the Company's website⁴⁹, Snam:

- identifies the different categories of stakeholders with whom the Company interacts following the evolution of the context and the development of corporate activities;
- analyses and understands the stakeholder profile and the Company's positioning towards them;
- explores the interests and issues relevant to each category of stakeholder, by periodically updating the materiality analysis;
- reports and periodically communicates to stakeholders the results of management in relation to material issues of mutual interest through the report on social responsibility and all other reporting and communication tools developed by the Company.

48 The document for the 4 May 2023 Shareholders' Meeting is available on the Company's website (https://www.snam.it/content/dam/snam/pages-attachments/en/investor-relations/documents/pubblicazioni-ir/azionista-snam/Azionista_SNAM_EN_2023.pdf).

49 The Stakeholder Engagement Policy is available on the Company's website (https://www.snam.it/content/dam/snam/pages-attachments-search/en/documenti/esg-policies/Politica_coinvolgimento_stakeholder_ing.pdf).

6.4 Stakeholders and engagement activities

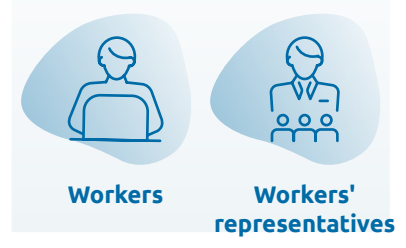
PUBLIC, SOCIAL AND FINANCIAL SCOPE



OPERATIONAL AND BUSINESS SCOPE



COMPANY



During 2023, as part of the materiality analysis, Snam reached approximately 10,300 stakeholders (including employees) through questionnaires and meetings and carried out multiple engagement initiatives with individual stakeholder categories.



The table below illustrates the activities carried out.

	EMPLOYEES	EMPLOYEE REPRESENTATIVES	CUSTOMERS	BUSINESS PARTNERS	SUPPLIERS	OTHER OPERATORS AND COMPETITORS	REGULATORS	SHAREHOLDERS AND INVESTORS	FINANCIAL COMMUNITY	INSTITUTIONS	ASSOCIATIONS AND COMMUNITIES	MEDIA	AUTHORITY
Lessons	●				●			●		●			
Webinar	●		●							●			
Workshops, interviews and focus groups	●		●	●	●			●					
Online platforms	●		●		●								
Working tables		●	●				●			●	●		
Meetings with local communities											●		
Meetings with trade unions		●											
Meetings with institutions										●			
Meetings with regulators and authorities							●						●
Questionnaires	●		●		●		●	●	●	●	●	●	●
Roadshows and conferences	●				●			●				●	
Partnerships and collaborations				●		●							
Prizes and Awards	●				●		●	●				●	

For more information regarding the engagement activities carried out by the Company with stakeholders other than shareholders, please refer to the NFS within the 2023 Financial Report made available on the Company's website in the section dedicated to the Company's Shareholders' Meeting of 7 May, 2024.

7. Considerations regarding the 2024 Recommendations of the Corporate Governance Committee

The Corporate Governance Committee, within the 11th Report on the application of the Corporate Governance Code of the financial year 2023 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 “2024 Corporate Governance Recommendations”).

The [2024 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 13 March 2024.

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](#).

INDUSTRIAL PLAN

RECOMMENDATION

Provide adequate disclosure of the board’s involvement in the review and approval of the strategic plan and analysis of issues relevant to long-term value generation.

SNAM’S VIEW

Snam has long provided in the Report on Corporate Governance and Ownership Structures adequate disclosure of the activities carried out by the Board of Directors for the purpose of examining and approving the strategic plan as well as analysing issues relevant to the generation of value in the long term, including through the support of ESGETSC.

In particular, in terms of competencies, the Report contains (see Appendix 4) an indication of the powers of the Board of Directors, from which it emerges that the Board of Directors is competent, consistent with its leading role in the pursuit of the sustainable success of the Company, (i) to define strategies and objectives of the Company and the Group and (ii) to examine and approve the strategic, industrial and financial plans of the Company and the Group.

Therefore, the Report highlights, among the activities carried out during 2023 by the Board of Directors, the Board’s examination and approval of the Strategic Plan 2022-2026, having examined in depth the related strategic guidelines and assessed in the related preparation phase all the risks that may be relevant from the perspective of the medium-to-long-term sustainability of Snam’s business (see paragraph 2.6, Section III, and paragraph 1.2, Section IV). In carrying out activities preparatory to the examination and approval of the Strategic Plan, the Board of Directors – as reported in the Report – is supported by ESGETSC for the purpose of analysing issues relevant to the generation of value in the long term.

PRE-BOARD MEETING INFORMATION

RECOMMENDATION

Provide adequate rationale in the report on corporate governance in the event of an exception to the timely pre-board meeting information for confidentiality reasons, which may be provided for in board regulations and/or adopted in practice.

SNAM’S VIEW

As represented in the Report, the provisions contained in the Regulation on the functioning of the Board of Directors (as described in Paragraph 2.5) and Committees (as described in Paragraph 3) do not provide for any exemptions to the timeliness of the pre-board meeting disclosure for reasons of data confidentiality. With regard to the 2023 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.

GUIDELINES ON BOARD COMPOSITION

RECOMMENDATION

Indicate carefully and provide adequate rationale in the report on corporate governance for the lack of expression, on the occasion of the renewal of the board of directors, of the guideline on its quantitative or qualitative composition and/or the lack of requesting, from those submitting a "long" list, to provide adequate information about the list's compliance with the guideline expressed. Also indicate how the timing of the publication of the guidelines was deemed appropriate to allow adequate consideration by those submitting lists of candidates.

SNAM'S VIEW

As also represented in the Report on Corporate Governance and Ownership Structure 2022, 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 for the purposes of its renewal and any resolutions on the co-optation of directors who ceased to hold office during the financial year. The guidelines expressed were published on the Company's website on 17 February 2022, well in advance of the publication of the notice of call (which occurred on 17 March 2022) as well as the scheduled date of the Shareholders' Meeting (27 April 2022), 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 diversity criteria, and to indicate their candidate for the office of Chair of the Board of Directors.

INCREASED VOTING RIGHT

RECOMMENDATION

Provide adequate disclosure, in the board's proposals to the shareholders' meeting on the introduction of increased voting right, of the purpose of the choice and the expected effects on ownership and control structure and future strategies, and to provide adequate reasons for any lack of disclosure of these elements.

SNAM'S VIEW

Since no proposals have been submitted to the Shareholders' Meeting by the Board of Directors regarding the introduction of increased voting right, this recommendation does not apply to Snam to date.

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



SECTION IV 92**Snam's internal control and risk management system**

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INTERCET
LOCALE ASPIRA

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 Ethics](#)⁵⁰ 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 Model](#)⁵¹.

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 organizational 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.

50 For more information on the Code of Ethics, see Section I, Paragraph 6, of this Report.

51 For more information on the Enterprise Risk Management Model, see Section IV, Paragraph 3.3, 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, with the prior opinion of 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 2023, on 15 March 2023 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 2023 was approved at the meeting of 15 February 2023
- 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 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 6 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, with **specific expertise in legal and corporate matters, economics and corporate organisation**.

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**.

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 2023, the Supervisory Body met 11 times.

(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 companies⁵².

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.

These checks were carried out, with regard to 2023, respectively on 15 February 2023 and on 15 March 2023.

(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.

52 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.

Section IV. Snam's internal control and risk management system

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 Auditors⁵³,

and in compliance with the principles laid down in the Code of Ethics⁵⁴.

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 Directors⁵⁵, 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 Dr. Franco Pruzzi with effect from 1 April 2020 as the new Head of Internal Audit.

⁵³ The International standards for the professional practice of Internal Audit are available at the following address: theiia.org/en/standards/international-professional-practices-framework

⁵⁴ In this regard, see Section IV, Paragraph 1, of the present Report.

⁵⁵ 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 2023

In 2023, 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 15 February 2023 following the prior favorable opinion of the CRRPTC;
- (iii) performing three additional audits not included in the schedule (i.e. spot audits, including shareholders' audit) and an advisory intervention required by management;
- (iv) the conduct of audits under ISO 37001:2016 required for the purpose of obtaining and maintaining certification of the anti-corruption management system (1 audit to the management system and 6 audits on specific processes);
- (v) 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);
- (vi) monitoring (follow up) the corrective actions as a result of the findings of the audit and the management of reports;
- (vii) performing the independent monitoring plan drawn up with the Financial Reporting Officer as part of Snam's Corporate Reporting Control System;
- (viii) the relevant activities pertaining to relations with the External Auditors.
- (viii) Functions with specific control tasks

(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 organizational 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 Business Integrity, ERM & Sustainability Legal Affairs 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) provides operational support for the activities of the Anti-Corruption Committee established under the UNI ISO 37001:2016 standard; (ix) 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, he **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, as well as the Anti-Corruption Committee for the aspects of competence, 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, the Anti-Corruption Committee and the Financial Reporting Officer;
- 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 Executive Director Internal Audit also forwards the audit report to the Chief People & Organization Officer and the Chief Legal Officer & 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;
- ensures a systematic and periodic flow of information to the Snam Anti-Corruption Committee regarding summary evaluations related to the audit actions carried out and the status of implementation of corrective actions, to the extent of its competence;
 - it drafts a six-monthly report containing adequate information on its own activities; 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 “Whistleblowing Guidelines” 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 Chief Legal Officer & General Counsel, the Chief Financial Officer, the Financial Reporting Officer, the Chief People & Organization Officer and the Anti-Corruption Committee, for the aspects of competence. 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 ERM Function on the occasion of each risk assessment and/or monitoring “campaign”: (i) shares with the Risk Specialist and Risk Owners the reporting on risks mapped in their own areas also through the Risk Assurance and Integrated Compliance IT platform; (ii) submits to the Chief Executive Officer, Chief Financial Officer, the Financial Reporting Officer, the Chief Legal Officer & General Counsel and the Internal Audit Executive Director a report regarding the findings of the activities conducted and any updates to the risk/opportunity mapping; and (iii) presents and submits the aforementioned findings and updates to the CRRPTC and the Board of Statutory Auditors, so as to permit an assessment of the effectiveness of the ICRMS. In addition: pursuant to the 231 Model, on at least a semi-annual basis, it meets

with the Supervisory Board for the purpose of reviewing the status of implementation of the risk identification, measurement, management and monitoring process; on at least an annual basis, it submits a sustainability risk report to the ESGSTE Committee; on an annual basis, it reports to the Snam Board of Directors on the activities carried out, the mapping of risks and opportunities and the implementation of the ERM Guideline.

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.

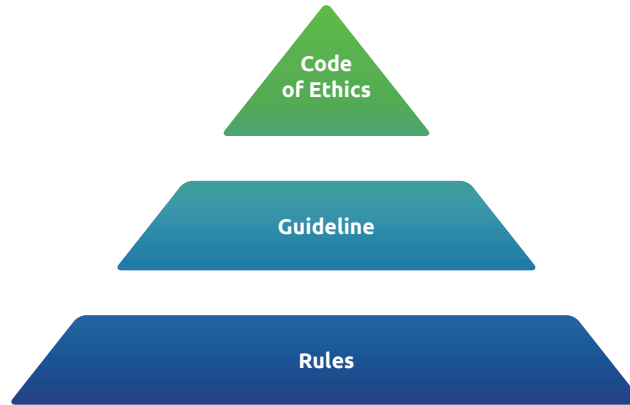
In particular, Snam’s Board of Statutory Auditors receives a half-year report on the supervisory activity performed by the boards of statutory auditors of its Subsidiaries.

[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.
- (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.

Moreover, certified management system documents

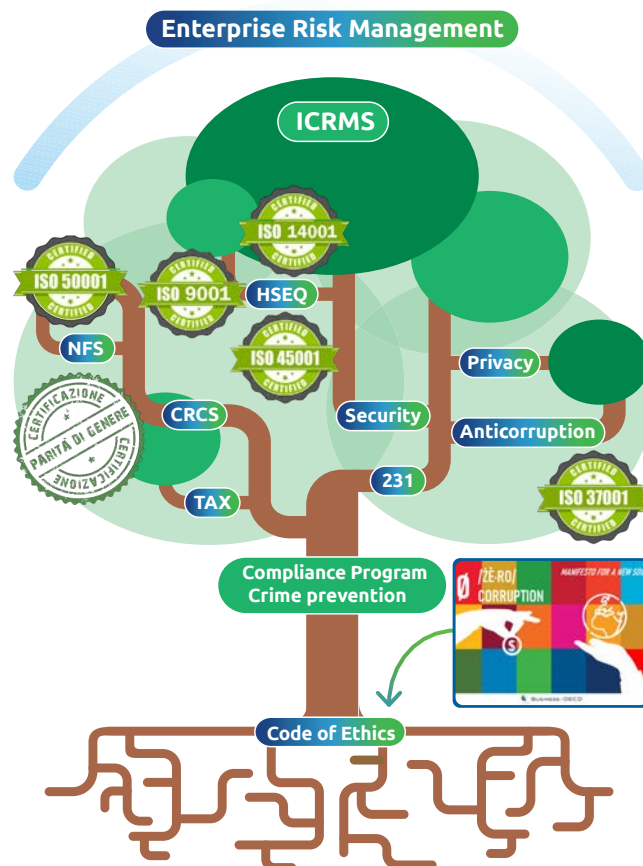
3. Compliance at Snam

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 functions⁵⁶.

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, 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 externally.

The illustration below portrays the ICRMS as an expression of an organic system, designed in compliance with the Code of Ethics, fed by the integration of the risks and controls present in each Model, whose flows and interactions are coordinated by the CPPO.



⁵⁶ 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.

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").

3.2 The 231 Model

Snam, its Subsidiaries and Fondazione Snam ETS have adopted their own **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.

In 2023, the impacts on the individual structures of 231 Models (including their existing control structures) of all Snam Group companies determined by the following regulatory changes were analyzed: Legislative Decree No. 156 of 4 October 2022, Legislative Decree No. 19 of 2 March 2023, and Law No. 137 of 9 October 2023.

With regard to training activities, from May until September, compliance training sessions were delivered in hybrid mode, involving the entire population of executives and managers of Snam and Group companies, with the aim - in addition to a general content update - of reaching the entire corporate population. The topics covered in the training sessions were the 231 Model, Privacy, Anticorruption with dedicated focus on UNI ISO 37001:2016 certification and Integrated Risk Assurance & Compliance Model.

In addition, Snam has implemented an "E-game" (called "Snam City") aimed at spreading the culture of compliance and business ethics and strengthening the knowledge of the Code of Ethics, Anti-Corruption Guidelines and ISO 37001:2016 Certification (achieved in May 2023) and privacy issues in favor of Snam Group top-management and employees, also in order to fulfill the reporting obligations under the so-called "Corporate Sustainability Reporting Directive".

The 231 Model is available on the Company's website

<https://www.snam.it/content/dam/snam/pages-attachments/it/governance/documents/2023/mog-new/Modello%20231%20Snam.pdf.coredownload.pdf>

3.3 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

Within the scope of its business and related development path, Snam is exposed to variability to be understood as the possibility of events occurring affecting in a negative (risk) or positive (opportunity) sense the achievement of business objectives.

Snam's **ERM Model**, defined in line with the recommendations of the Code of Corporate Governance and the reference models and international best practices in risk management (e.g. COSO Framework, CoSO ERM WBCSD and ISO 31000), provides for an integrated, cross-functional and dynamic assessment of risk (and opportunity) 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.

Indeed, its purpose is to pinpoint and manage the main elements of risk and opportunity that might affect the pursuit of corporate objectives.

The identified risks and opportunities are assessed, using appropriate scales, in terms of:

- **likelihood**: probability of occurrence of an event over the reference time horizon;
- **impact**: overall magnitude of the effect/consequence of the occurrence of an event over the reference time frame with respect to the pursuit of Snam's objectives.

Specifically, two types of impact are measured: **economic/financial**, by Budget year and Plan span, and **reputational**, which expresses the potential repercussions that a risk/opportunity event would have for Snam in terms of image damage and/or number of stakeholder categories and related expectation factors impacted in conjunction with the materiality analysis⁵⁷.

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

⁵⁷ Expectation factors are defined as the issues relevant to stakeholders declined in terms of the expectations, demands and needs these stakeholders have of Snam. The expectation factors of the different stakeholder categories are identified by taking into consideration (i) material issues mapped as part of the materiality analysis and (ii) issues included in the Stakeholder Engagement questionnaires.

The main business risks identified and monitored are classified as financial, operating, legal and compliance and strategic, and also the risks and opportunities relevant to sustainability are identified (so called Sustainability Risks; formerly referred to as ESG risks).

The identification of Sustainability Risks is implemented through an approach of qualifying the risk event as “Sustainability-relevant” where it impacts sustainability issues or factors⁵⁸ relevant to Snam.

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 and corporate bodies of the Company. The graphic below illustrates the various operational phases of the ERM Model.



3.4 Risk Appetite Framework

With a view to the continuous evolution of risk management to refine its ability to identify and treat risks that could affect the achievement of corporate objectives, Snam has adopted a group **Risk Appetite Framework** (hereinafter also “RAF”) approved by the Board of Directors.

Starting from the logic that the company cannot achieve a return without risk-taking, the RAF 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 the Board of Directors;
- facilitate escalation to the Board of Directors 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.

The framework was defined through a methodological approach consisting of the following activities:

- identification of key risk-return dimensions, i.e., the risk areas on which the group’s risk-return appetite is made explicit;
- for each dimension identified, definition of a qualitative statement making expliciting the level of risk that the company is willing to accept in order to achieve its objectives;
- for each identified dimension, definition of indicators and metrics to monitor the risk-return profile assumed;
- determination of thresholds suitable for placing the company’s risk profile within an acceptable range beyond which the need for corrective action is determined⁵⁹.

The RAF undergoes a periodic review process with the aim of keeping the tool up-to-date and constantly adhering to the evolution of business, context and Strategic Plan.

Among other things, the ERM Function reports to the Control and Risk and Related-Party Transactions Committee and the Board of Directors:

- on at least an annual basis, about the indicator analysis and monitoring activities;
- on an event-by-event basis, in case of risk limit breaches.

58 The references considered for the sustainability relevance assessment of risk events are the international reference standards (e.g. CSRD/ESRS), materiality analysis and material issues, scorecard and related KPIs. With a view to a comprehensive mapping of Sustainability Risks, these references are to be considered dynamic and integrable according to changes in the internal and external context.

59 The following parameters are identified for each indicator: (i) risk ambition, which is the level of risk exposure the company is aiming for in order to achieve the best risk-return balance; (ii) actual, which coincides with the survey at a given time, of the company’s risk-return profile; and (iii) risk limit, which identifies the maximum level of risk the company is willing to tolerate in pursuit of its objectives.

3.5 Climate Change Risk Management

Climate change is an increasingly relevant issue with impacts not only on the environment but also on the business of companies whose assets may, for example, be more or less exposed to the intensification of climate events (*i.e.* so-called physical and transitional risks).

Regulatory instances, at the international and national level, and stakeholder expectations fuel the need for continuous improvement for companies in terms of managing and disclosing the risks and opportunities that could result from climate change.

Snam has therefore introduced a **specific Climate Change Risk Management (CCRM) framework** into the ERM model. This framework makes it possible to systematize climate risk analyses through a structured and integrated approach with ERM analyses.

An extensive disclosure on the CCRM framework and the outcomes of the related risk analysis is rendered in the chapter "Managing Impacts, Risks and Opportunities" in the NFS within the Annual Financial Report 2023.

Enterprise Risk Management Guidelines

Highlights of the ERM Guideline

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 Control and Risk and Related-Party Transactions Committee, the Board of Statutory Auditors and the Supervisory Body.

Last update approved by the Board of Directors on 19 December 2023.

The **ERM Guideline**, approved by the Board of Directors, describes the ERM Model in all its components (e.g., the methodology for assessing the risks, roles/responsibilities, information flows and reporting activities, communication and training, etc.).

In December 2023, the Board of Directors approved the latest update of the ERM Guideline, which, in particular, covered references to three cross-functional projects in ERM related to: (i) the rationalization and evolution of the risk assessment methodology; (ii) the adoption of the risk appetite framework that took place in March 2023; and (iii) the integration of risk analysis and management activities with specific vertical insights including, first and foremost, the CCRM framework.

These projects concluded in 2023 had, among other things, the main objectives:

- increased risk-informed contribution to decision-making and strategic processes in line with risk appetite validated by the Board of Directors;
- the rationalization of the ERM process;
- greater usability and increased informational reach of risk assessment results;
- greater integration with Sustainability processes (materiality analysis - stakeholder engagement) and refocusing of Sustainability risks;
- the strengthening of risk culture.

The Enterprise Risk Management Guidelines are available on the Company's website

https://www.snam.it/content/dam/snam/pages-attachments/it/investor-relations/documents/risk-management/Snam_Linea_Guida_ERM_20231219.pdf.core-download.pdf

3.6 Anti-Corruption Compliance Programme

Snam, in establishing and maintaining an **Anti-Corruption Compliance Program**, has not only adopted the 231 Model (aimed at preventing the crimes grounding the company's administrative liability for crime, including corruption offenses; constantly updated) but, **consistent with international guidance and best practices**, in May 2023, achieved ISO 37001:2016 "Management System for the Prevention of Corruption" certification.

As of May 2023, all activities to maintain the Corruption Prevention Management System in compliance with ISO 37001 have been initiated and ensured.

The **2023 activities** were concluded with the management review process structured in the following three stages:

- Review by the Compliance Function held on 31 January 2024. During this meeting, the Anti-Corruption Committee evaluated the management system for the prevention of corruption as adequate to effectively manage the corruption risks faced by the organization and effectively implemented;
- Review by Senior Management held on 2 February 2024. During that meeting, the CEO acknowledged that: i) Snam S.p.A.'s Corruption Prevention Policy pursuant to the UNI ISO 37001:2016 Standard and the objectives established are relevant to the internal and external context in which Snam operates as well as to the analysis of risks and opportunities, as most recently updated; ii) the results achieved by the system are satisfactory and functional to the process of continuous improvement

of the organization's anti-corruption oversight, in line with the Company's policies and Anti-Corruption Compliance Program; (iii) the system is capable of adapting to changes in the internal and external context of the organization; (iv) the resources involved in the implementation of the system are satisfactory for the achievement of the set objectives, also taking into account the internal and external context factors that have occurred in the last year; and (v) the structure of the system allows the results achieved to be maintained over time in a systematic and reliable manner;

- Review by the Governing Body held on 14 February 2024. During this meeting, the Board of Directors of Snam S.p.A. took note of the review activities carried out by the Compliance Function and the Chief Executive Officer and shared their conclusions.

Finally, also during 2023, Snam updated its Anti-Corruption Guideline by incorporating and enhancing internally the principles set forth in the "Zero Corruption Manifesto" promoted by BIAC's Anticorruption Committee.

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 invited as a speaker to the BIF National event's panel discussion "Ethics & Compliance", held in October 2023.
- 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 2023 Snam participated (i) as a speaker, in the annual OECD conference "Racing to Zero - Education and Digitalization as Enablers in Fighting Corruption", held in Paris on 24-25 May 2023, and (ii) in the preparation of the BIAC paper for the "Education for the Fight Against Corruption" project.

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

Anti-corruption due diligence on contractual/commercial counterparts

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

The Anti-Corruption Guidelines are available on the Company's website

https://www.snam.it/content/dam/snam/pages-attachments/en/esg/documents/anti_corruption_guidelines.pdf.coredownload.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.

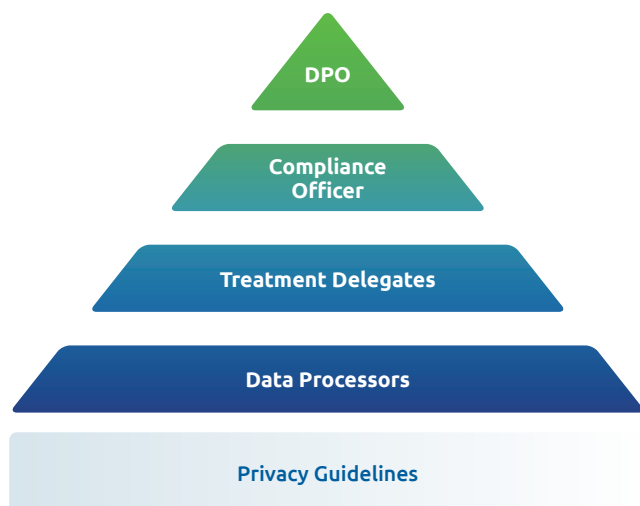
The [Antitrust Compliance Programme](#) is composed of a range of activities aimed at the dissemination of antitrust culture as well as the identification of breaches of Italian and European competition laws, in order to prevent non-compliant conduct and to raise awareness among employees, middle managers and executives regarding compliance with applicable legislative provisions. These principles are condensed in the Antitrust Guideline.

The Antitrust Guideline is available on the Company's website

https://www.snam.it/content/dam/snam/pages-attachments/it/governance/documents/2019/lineaguida_antitrust.pdf.coredownload.pdf

3.8 Privacy Compliance Programme

The purpose of the “Privacy Guideline”, 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.



No data breaches were detected during 2023, and the safeguards related to data protection security measures were maintained.

In addition, a Policy on the ethical use of Artificial Intelligence was adopted and published.

3.9 Whistleblowing

In the period from May to September 2023, the measures issued by the Legislature on whistleblowing were examined in order to implement the regulatory changes set forth in Legislative Decree No. 24 of 2023 implementing Directive (EU) 2019/1937, consequently the new “Whistleblowing Guideline” was adopted.

The Whistleblowing Guideline is available on the Company’s website

<https://www.snam.it/content/dam/snam/pages-attachments/it/governance/documents/controllo-interno-e-compliance/Linea-Guida-Whistleblowing.pdf>

Below is a table detailing the activities carried out by Internal Audit as regards reports received in the last three years:

	2021	2022	2023
Reports received and processed	6	7	11
relating to suspected administrative, accounting, civil, or criminal offenses	-	-	-
relating to suspected illegal conduct relevant to Legislative Decree No. 231/2001, or violation of 231 Model.	3 ^[1]	3 ^[2]	4 ^[3]
relating to other matters	3	4	7 ^[4]
Reports dismissed due to lack of evidence or because untrue (No.)	2 ^[5]	5 ^[6]	4
Reports resulting in corporate disciplinary or managerial ^[7] action and/or referral to a legal authority	0	8 ^[8]	2
Reports in the process of examination (No.)	6	0	5 ^[9]

[1] Of which 2 related to anti-corruption aspects.

[2] Of which 2 related to anti-corruption aspects.

[3] Of which 2 related to anti-corruption aspects.

[4] Of which 1 related to anti-corruption aspects.

[5] Relating to reports received in 2020.

[6] Of which 3 refer to reports received in 2022 and 2 refer to reports received in 2021.

[7] “Managerial” also means organisational/procedural measures relating to measures to improve the ICRMS.

[8] Of which 4 refer to reports received in 2022 and 4 refer to reports received in 2021.

[9] 1 report is in the reporting stage and 4 are under review by the Internal Audit Function and other corporate functions.

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 Significant Accident Prevention (SAP) 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 dependability⁶⁰, accuracy⁶¹, reliability⁶² 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.

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 CRCS, applied to Snam and the Subsidiaries, taking into account their significance.

60 Dependability (of the reporting): reporting that is correct, complies with generally accepted accounting standards and fulfils the requirements of the applicable laws and regulations.

61 Accuracy (of the reporting): error-free disclosure.

62 Reliability (of the reporting): reporting that is clear and complete, thereby enabling investors to make informed decisions.

(ii) Phases of the CRCS

The CRCS is 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, carried out on the basis of both (i) the financial statement items and information that are significant for this purpose and (ii) 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, i.e. 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 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 after being 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 the model, reporting activities were conducted on the RACI platform in 2023 as part of two "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.

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” or “TCF”)⁶³.

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 Guideline “Tax Control Framework – Tax Strategy”, the *tax risk management* process has also been voluntarily extended to other Group companies which, although not admitted to the collaborative compliance procedure with the Italian Revenue Agency 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 companies⁶⁴.

Following the regulatory changes introduced in the rules of the collaborative compliance regime by Legislative Decree No. 221 of 30 December 2023, which, among other things, changed the access requirements, the possibility of applying for admission is being studied also for currently non-included companies already involved in the Tax Risk Management process on the basis of the TCF.

As of the year 2020, a three-year risk assessment and control monitoring plan involving the nine Companies that have adopted TCF has been initiated.

In addition, with regard to Snam and Snam Rete Gas S.p.A., as required by the Tax Compliance Model⁶⁵, 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 controls subject to monitoring are mapped within special Risk & Control Matrixes that are subject to ongoing maintenance and reinforcement activities, including in light of the outcomes of risk assessment campaigns, line monitoring, independent monitoring, information obtained from company contact persons, changes to organizational/functional structures, as well as following any changes introduced by tax legislation deemed relevant by the Company.

In particular, during the year 2023, 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.

63 “Tax Control Framework - Tax Strategy” Guidelines

64 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., Greenture S.p.A., Cubogas S.r.l., Bioenerys Agri S.r.l., TEP Energy Solution S.r.l.

65 Operating document that defines how to manage the process of detecting, measuring, treating and controlling tax risk (so-called “Tax Risk Management” process), as part of Snam’s more comprehensive TCF.

During 2023, an activity was initiated to review the calculation of the inherent risk of tax-relevant activities, in terms of the identification and relevance of variables that contribute to the risk assessment.

Moreover, since 2023, the company has prepared the Tax Transparency Report, a document prepared on a voluntary basis, which provides tax-related information, including:

- tax strategy and tax governance. The section provides an overview of the control environment and principles considered with reference to strategic tax decisions;
- the link between taxes and ESG objectives. The section provides a comprehensive overview of the role of the tax component in ESG and, in particular, with reference to the Snam Sustainability Scorecard. For each dimension (Environmental, Social, Governance) the main actions implemented by the Group are represented;
- an overview of the tax contribution paid by Snam in Italy and abroad. The section provides an overview of the total tax contribution, distinguishing between tax borne and tax collected⁶⁶ by the Group. The key indicators of the Group's total tax contribution are represented in this section.

The Tax Transparency Report is available on the Company's website:

<https://www.snam.it/content/dam/snam/pages-attachments-search/en/documenti/bilanci-annuali/2023/Tax%20Transparency%20Report%20ENG.pdf>

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”)⁶⁷, 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

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.

⁶⁶ tax borne: taxes that represent a cost for the Snam Group and are paid by the Group entities themselves to the public administrations of the various tax jurisdictions.
tax collected: taxes that companies collect from other entities on behalf of the authority; therefore, they do not represent a direct cost to the companies themselves.

⁶⁷ 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 Guidelines require that the competent Committee issue:

- for “*Small Transactions*”⁶⁸, 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*”⁶⁹, 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/content/dam/snam/pages-attachments/it/governance/documents/2022/Snam_Linea_Guida_OPC_2022.pdf.coredownload.pdf

For further information on the composition, organization and functioning of the CRRPTC, please refer to Paragraph 3.3, Section III, of the Report.

3.14 Market Abuse Guidelines

Highlights of the Market Abuse Guidelines

Snam’s Market Abuse Guidelines – that take account of the EU Regulation 596/2014 on market abuse (and the relevant implementing regulations) - came into force on 3 July 2016 and were most recently updated in December 2023 with the aim of aligning it with the most recent regulatory interventions and interpretative guidelines as well as the application practices most recently encountered

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 specific relevant information, inside information, as well as internal dealing, including a specific discipline of the so-called black-out periods

Provision of a specific procedure for delayed dissemination of inside information, as well as specific provisions on selective disclosure and management of rumours

Specific regulation of the relationships between Snam and the Subsidiaries, directly and indirectly controlled, regarding the identification and management of specific relevant information and inside information

The **Market Abuse Guidelines** are divided into three sections, as described in more detail below.

Section I – Management of specific relevant information and of inside information

This section, with a precise indication of the business figures/ functions involved and their respective roles, covers:

- a) the identification and management of **specific relevant information and inside information**;
- b) the procedures to be followed for **communicating** such information both within and outside of the corporate environment;
- c) the procedure to be followed, if the conditions are met, to **delay** dissemination to the public of inside information;
- d) the establishment, maintenance and updating of the **register** of persons who have access to specific relevant information and the register of persons who have access to inside information;

68 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).

69 “Large Transactions” are indicated in Annex 1 to the Related-Parties Guidelines.

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, control or direction 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 as well as by persons closely associated to them.

Specifically, it includes the following:

- a) criteria for identifying “Relevant Persons”, “Relevant Shareholders”, “Relevant Transactions under MAR”, “Relevant Transactions under TUF” to which the legislation in question applies as well as exempt transactions;

- b) the disclosure obligations of “Relevant Persons”, “Relevant Shareholders” and the Company in respect of Consob and the public in relation to “Relevant Transactions under MAR” and “Relevant Transactions pursuant to the TUF”; and
- c) rules preventing governing the prohibition of the performance of (i) “Relevant Transactions pursuant to the MAR” by “Relevant Persons” as well as (ii) certain transactions performed by Snam in given periods (“black out period”).

Section III – Final provisions

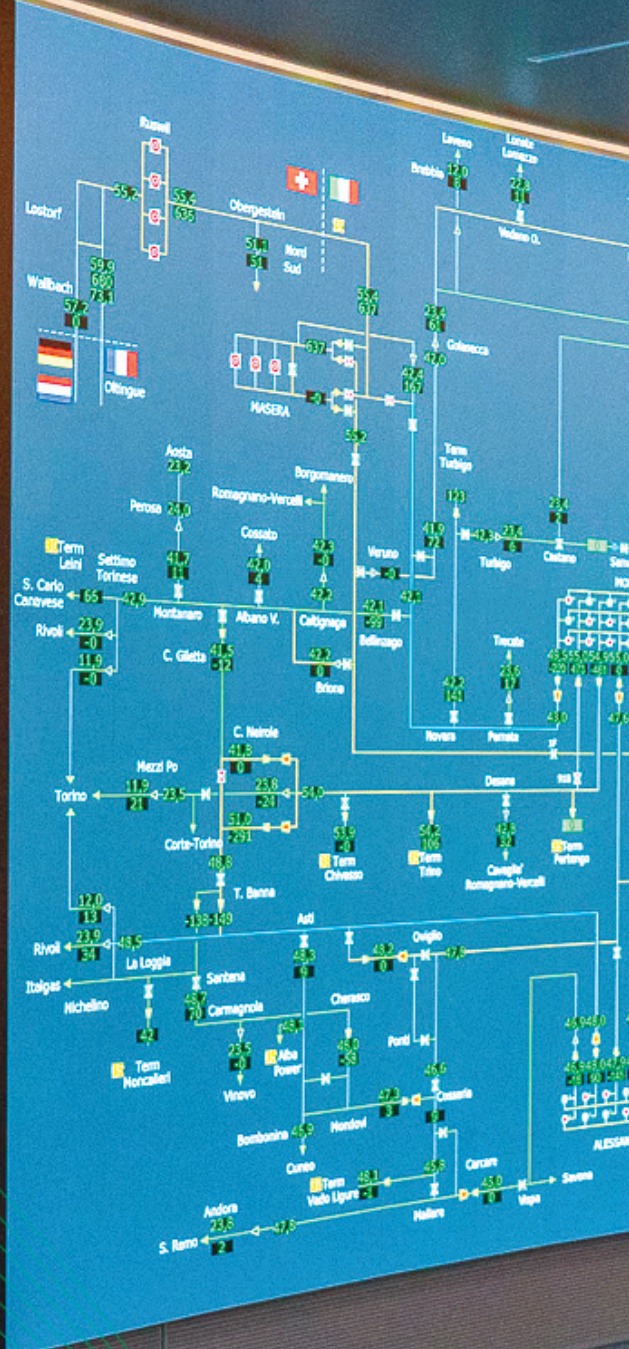
This section covers provisions relating to: (a) market surveys; and (b) the updating of the Guidelines and final provisions.

The Market Abuse Guidelines is available on the Company's website

<https://www.snam.it/content/dam/snam/pages-attachments/it/governance/documents/2023/Snam%20S.p.A.%20Linea%20Guida%20Market%20Abuse%20e%20Allegati.pdf.coredownload.pdf>

70 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 under MAR” 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 Snam is required to make public by law or pursuant to the rules of the trading venue on which Snam's shares are traded.

SECTION V



Any changes to the *Corporate Governance* structure that occurred after the end of the financial year

By resolution of the Board of Directors on 13 March 2024, the name of the Environmental, Social & Governance and Energy Transition Scenarios Committee was changed to “Sustainability and Energy Transition Scenarios Committee”.

There are no further relevant changes occurred after the end of the financial year.



SECTION VI

Summary tables



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	3	11/11
Chief Executive Officer (♦) (♦)⁷¹	Stefano Venier	1963	27/04/2022	27/04/2022	Financial Statements at 31/12/2024	M	X				1	11/11
Director	Massimo Bergami	1964	27/04/2022	27/04/2022	Financial Statements at 31/12/2024	M		X	X	X	0	11/11
Director	Laura Cavatorta	1964	02/04/2019	27/04/2022	Financial Statements at 31/12/2024	m		X	X	X	2	11/11
Director	Augusta Iannini	1950	27/04/2022	27/04/2022	Financial Statements at 31/12/2024	M		X	X	X	2	11/11
Director	Piero Manzoni	1962	27/04/2022	27/04/2022	Financial Statements at 31/12/2024	m		X	X	X	0	11/11
Director	Rita Rolli	1969	02/04/2019	27/04/2022	Financial Statements at 31/12/2024	m		X	X	X	2	11/11
Director	Qinjing Shen	1978	17/02/2022	27/04/2022	Financial Statements at 31/12/2024	M		X			3	9/11
Director	Alessandro Tonetti	1977	27/04/2016	27/04/2022	Financial Statements at 31/12/2024	M		X			1	11/11

No. of meetings held during the financial year: 11

Quorum required for the submission of slates of candidates by minority shareholders for the election of one or more members⁷²: 0.5% of the share capital

NOTES

• 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.

71 Stefano Venier also holds the office of General Manager.

72 In accordance with Consob Determination No. 92 of 31 January 2024.

TABLE 2 – STRUCTURE OF THE BOARD COMMITTEES AS OF THE END OF THE FINANCIAL YEAR

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			11/14	M	10/11	M
Director - non-executive - independent	Laura Cavatorta	8/8	M			11/11	C
Director - non-executive - independent	Augusta Iannini	8/8	M				
Director - non-executive - independent	Piero Manzoni	8/8	C				
Director - non-executive - independent	Rita Rolli			14/14	C	10/11	M
Director - non-executive	Qinjing Shen					9/11	M
Director - non-executive	Alessandro Tonetti			12/14	M		
No. of meetings held:		Control and Risk and Related-Party Transactions Committee: 8		Appointments and Compensation Committee: 14		Environmental, Social & Governance and Energy Transition Scenarios Committee: 11	

NOTES

(*) This column shows the attendance of directors 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	12/12	3
Standing Auditor	Gianfranco Chinellato	1951	02/04/2019	27/04/2022	Financial Statements at 31/12/2024	M	X	X	12/12	7
Standing Auditor	Ines Gandini	1956	27/04/2022	27/04/2022	Financial Statements at 31/12/2024	M	X	X	12/12	5
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	-	-

Number of meetings held during the financial year: 12

Quorum required for the submission of candidate lists by minorities for the election of one or more members⁷³: 0.5% of the share capital

NOTES

* 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.

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		Ap- plied	Not ap- plied	Inappli- cable	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		Ap- plied	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
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

	CODE OF CORPORATE GOVERNANCE Principles and Recommendations	Ap- plied	Not ap- plied	Inappli- cable	Paragraph reference
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
R.7	<p>The circumstances that jeopardise, or appear to jeopardise, the independence of a director are at least the following:</p> <ol style="list-style-type: none"> if he or she is a significant shareholder of the company; if he or she is, or was in the previous three financial years, an executive director or an employee: <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; 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): <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; 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; if he or she has served on the board for more than nine years, even if not consecutive, of the last twelve years; 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; 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; if he or she is a close relative of a person who is in any of the circumstances set forth in previous letters. <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		Ap- plied	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 4.1
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	Ap- plied	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> <ul style="list-style-type: none"> a) the pre-meeting information and the complementary information provided during the meeting are suitable to allow directors to act in an informed manner; b) the activity of the board committees with preliminary, propositional and consultative functions is coordinated with the activity of the board of directors; 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; 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; e) to provide for the adequacy and transparency of the board review, with the support of the nomination committee. 	X			Sec. III, Par. 2.7 Annex 6
R.13	<p>The board of directors appoints an independent director as lead independent director:</p> <ul style="list-style-type: none"> 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. 			X	Sec. III, Par. 2.12
R.14	<p>The lead independent director:</p> <ul style="list-style-type: none"> a) collects and coordinates the requests and contributions of non-executive directors and, in particular, of independent ones; b) coordinates the meetings of the independent directors. 			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		Ap- plied	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
P.XIV	<p>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.</p>	X			Sec. III, Parr. 2.1 and 2.13

	CODE OF CORPORATE GOVERNANCE Principles and Recommendations	Ap- plied	Not ap- plied	Inappli- cable	Paragraph reference
R.19	The board of directors entrusts the nomination committee to support it on: 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. 3.1 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: - 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. 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.	X			Sec. III, Parr. 2.1 and 2.3 Annex 5
R.24	In large companies, the board of directors: - 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

CODE OF CORPORATE GOVERNANCE Principles and Recommendations		Ap- plied	Not ap- plied	Inappli- cable	Paragraph reference
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	<p>The board of directors entrusts the remuneration committee with the task of:</p> <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	<p>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> <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	Ap- plied	Not ap- plied	Inappli- cable	Paragraph reference
R.27	<p>The remuneration policy for executive directors and the top management defines:</p> <ul style="list-style-type: none"> 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; b) caps to the variable components; 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; 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; 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; 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. 	X			Sec. III, Par. 2.15 Report on Remuneration
R.28	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.	X			Sec. III, Par. 2.15 Report on Remuneration
R.29	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.	X			Sec. III, Par. 2.15 Report on Remuneration
R.30	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.	X			Sec. III, Par. 4.1 Report on Remuneration

CODE OF CORPORATE GOVERNANCE Principles and Recommendations		Ap- plied	Not ap- plied	Inappli- cable	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> <ol style="list-style-type: none"> 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; 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); the application of any claw-back or malus clauses; 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; 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. 	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 Sez. 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 Sez. IV, Par. 1.3
R.32	<p>The organisation of the internal control and risk management system involves:</p> <ol style="list-style-type: none"> the board of directors, which plays a role in guiding and assessing the adequacy of the system; the chief executive officer, in charge of establishing and maintaining the internal control and risk management system; 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. 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; 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; 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	Ap- plied	Not ap- plied	Inappli- cable	Paragraph reference
R.33	<p>The board of directors, with the support of the control and risk committee:</p> <ul style="list-style-type: none"> 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; 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; 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; 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; 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; 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; 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. 	X			Sec. III, Par. 2.1 Sec. IV, Par. 1.2
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			Sec. III, Par. 2.9 Sec. IV, Par. 1.2

CODE OF CORPORATE GOVERNANCE Principles and Recommendations		Ap- plied	Not ap- plied	Inappli- cable	Paragraph reference
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> <ol style="list-style-type: none"> 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; 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; examines the content of the periodic non-financial information relevant to the internal control and risk management system; 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; examines the periodic and particularly relevant reports prepared by the internal audit function; monitors the autonomy, adequacy, effectiveness and efficiency of the internal audit function; 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; 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			Sec. III, Par. 3.1 Sec. IV, Par. 1.2 Annex 7
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> <ol style="list-style-type: none"> 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; 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; prepares promptly, at the request of the control body, reports on events of particular relevance; 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; verifies, as part of the audit plan, the reliability of the information systems, including the accounting systems. 	X			Sec. IV, Par. 1.2

	CODE OF CORPORATE GOVERNANCE Principles and Recommendations	Ap- plied	Not ap- plied	Inappli- cable	Paragraph reference
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' Meetings⁷⁴

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 Company⁷⁵. 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.

⁷⁴ Regarding the holding of meetings of listed companies, Article 11, paragraph 2, of Law no. 21 of 5 March 2024, provides that "the deadline referred to in Article 106, paragraph 7, of Decree-Law No. 18 of 17 March 2020, converted, with amendments, by Law No. 27 of 24 April 2020, regarding the holding of shareholders' meetings of companies and entities, is postponed to 31 December 2024". This provision allows listed companies to allow attendance at shareholders' meetings only through the designated representative provided for in Article 135-undecies, TUF until December 31, 2024.

⁷⁵ 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 gender⁷⁶.

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 TUF⁷⁷. 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) 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

⁷⁶ 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.

⁷⁷ 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.

- greatest 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 apply⁷⁸. 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 independence and integrity of the directors, as well as the lack of

⁷⁸ 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.

grounds for ineligibility and incompatibility⁷⁹. 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

⁷⁹ 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.

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.

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 Confidentiality

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 parties⁸⁰
- 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

⁸⁰ 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

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 6

Board committees: Functions

Control and Risk and Related-Party Transactions Committee

The CRRPTC, in supporting the Board of Directors, performs the following functions:

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| <ul style="list-style-type: none"> 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 | <p>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.</p> <p>The Committee also supports the Board of Directors in order to:</p> <ul style="list-style-type: none"> 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; |
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- 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 7

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 gender⁸¹.

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.

⁸¹ Paragraph 1-bis of Article 148 of the Consolidated Financial Act, which governs the appointment of statutory auditors in such a way as to ensure a gender balance, as last amended by Article 1, paragraph 303, of Law No. 160 of 27 December 2019, provides that at least two-fifths of the elected standing statutory auditors must be of the less-represented gender. Pursuant to Article 144-undecies.1 of the Issuers' Regulations, if the application of the gender quotas criterion does not result in a whole number of members of the administration or control bodies belonging to the least represented gender, this number is rounded up to the next higher unit, with the exception of corporate bodies made up of three members for which the rounding is made down to the next lower unit.

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 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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