



# REPORT ON THE REMUNERATION POLICY AND FEES PAID **2024**



**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 THE REMUNERATION POLICY AND FEES PAID **2024**

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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 CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

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



### REPORT ON THE REMUNERATION POLICY AND FEES PAID

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 THE REMUNERATION POLICY AND FEES PAID **2024**

The Report on Remuneration Policy and Fees Paid is a document designed to outline the Company's intended remuneration policy for the current year and detail the fees disbursed in the preceding year, in line with the existing policy.

The Report relates to the remuneration policy regarding specific categories of people: Non-executive Directors, Auditors, Chief Executive Officer and Managers with Strategic Responsibilities.

The objective of the document is to share the company's reward policy with Shareholders and other Stakeholders, an essential tool for achieving short and medium-long-term objectives.

The Shareholders' Meeting is called to express a binding vote on the first Section of the document (2024 Policy) and a non-binding vote on the second Section (Fees paid in 2023).

# LETTER FROM THE CHAIR OF THE APPOINTMENTS AND COMPENSATION COMMITTEE



*Chair*

**Rita Rolli**

Dear Shareholders,

I am pleased to present, on behalf of the Appointments and Compensation Committee and the Board of Directors, the Annual Report on Snam's remuneration policy and fees paid (hereinafter also the "Report"). The document aims to illustrate in a transparent manner to all Stakeholders the elements that make up Snam's remuneration policy for the year 2024 and the results of its application for the year 2023.

In 2023, the Shareholders' Meeting confirmed a high level of approval for Snam's Report, which received a broad consensus from Shareholders (92.2% for Section I and 93.3% for Section II).

The Committee carried out activities on remuneration in order to define a Remuneration Policy for 2024 that ensures the alignment of the interests of top management with those of shareholders and other Stakeholders, promoting the pursuit of the objectives of the new 2023-2027 Strategic Plan presented to the market on 25 January 2024.

Within the scope of the plan, Snam aims to address the challenges of the energy trilemma in a balanced way by maintaining an infrastructure that ensures the security, sustainability, and competitiveness of energy supplies. Additionally, the company plans to develop the Energy Transition platform, which will concentrate on decarbonisation technologies. This platform is intended to play a strategic and facilitating role in driving sustainability and innovation.

In order to achieve these objectives, the Plan envisages an increase in investments that will be developed along two lines: (i) infrastructure investments along the entire value chain; (ii) Contributing to decarbonisation via the Energy Transition platform by developing green gases (hydrogen and biomethane), initiating the Italian and European hydrogen backbone project (South2 Corridor), expanding the Carbon Capture and Storage (CCS) infrastructure, and further enhancing activities to boost energy efficiency.

The Company also deems it extremely important to engage in dialogue with key stakeholders when defining



the Remuneration Policy. This is to ensure ongoing enhancement, the adoption of best practices in the market, and the integration of recommendations from Institutional Investors and Proxy Advisors.

During 2023, Snam launched a direct engagement activity with shareholders by organising a roadshow dedicated to Governance, Sustainability and Compensation issues before and after the Shareholders' Meeting. During this activity, we had the opportunity to engage with the governance bodies of major institutional investors. They offered valuable feedback and suggestions for improvement, which have been integrated into this Report.

While the 2024 Remuneration Policy was largely consistent with the previous year's approach, it was revised to align with the company's interests and to reflect the insights obtained from engaging with stakeholders. Consequently, the updated 2024 Remuneration Policy includes the introduction of the following new elements:

- The revision of the list of companies utilised to evaluate the overall remuneration policy concerning the Chief Executive Officer and General Manager, the Board of Directors, the Board of Statutory Auditors, Managers with Strategic Responsibilities, and the Executive Director Internal Audit. The process of updating the peer group involved engaging independent external consultants to ensure that the Remuneration Policy was in line with market best practices. This also included considering feedback from Proxy Advisors and Institutional Investors. The peer group thus formed comprises companies that are most closely comparable to Snam in terms of business activities, risk profile, and operational model. The peer comparison group was established by categorising companies into three clusters based on

their type of business: Industrial, Utilities/Energy, and Regulatory/Infrastructure. This resulted in a panel of 22 companies, comprising 10 Italian and 12 European firms;

- the introduction – in an effort to comply with the best market practices regarding the alignment of interests between shareholders and top management – of a policy for the role of Chief Executive Officer in relation to the Share Ownership Guideline. This policy mandates that the CEO must hold a number of shares with a minimum value equivalent to 200% of his Fixed Remuneration. The required shareholding must be achieved within a five-year period and maintained thereafter until the end of his tenure with the company. Should a new CEO be appointed, they must attain the minimum share ownership level within two terms of office, which equates to six years;
- the expansion of the number of Managers with Strategic Responsibilities from 3 to 8 identified by the Chief Executive Officer and General Manager.

Following last year's overhaul of the Report to enhance transparency, the Company has continued its dedication to utmost openness with this document. It has incorporated developments to reflect feedback gathered during the engagement process, while preserving an integrated approach to reporting for the shareholders' meeting.

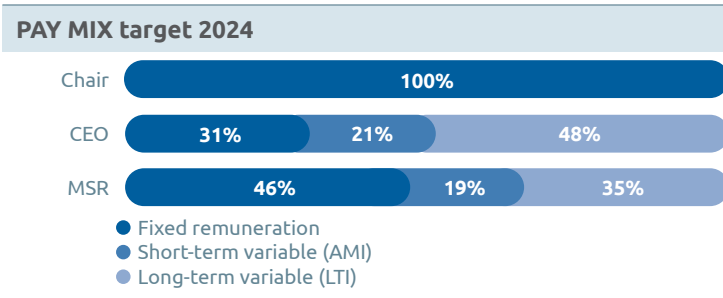
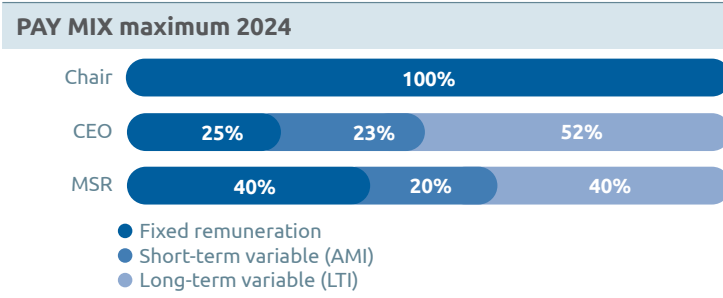
I am confident that the Committee's dedication, together with management, and the decisions taken in line with the Remuneration Policy approved at the previous Shareholders' Meeting will be recognised once again with the backing of the proposed Policy for 2024.

The Chair of the Appointments  
and Compensation Committee

Prof. Avv. Rita Rolli

# ABSTRACT REMUNERATION POLICY 2024

COMPONENT	PURPOSE AND CHARACTERISTICS	IMPLEMENTATION CRITERIA AND CONDITIONS	AMOUNTS	NEW IN 2024
<b>Fixed remuneration</b>	The compensation reflects the skills, professionalism, and contributions demanded by the role held, with the objective of fostering motivation and encouraging employee retention.	Fixed remuneration is determined on the basis of the assigned roles and responsibilities, by considering the levels for equivalent positions in the market and with any annual adjustments established by merit (continuity of individual performance) or by progression of role/ responsibility	<p><b>Chair:</b> €310,000 (including annual fixed remuneration for directors established by the Meeting of 27 April 2022)</p> <p><b>Chief Executive Officer:</b> €900,000 (including annual fixed remuneration for directors established by the Meeting of 27 April 2022 and gross annual remuneration for the position of General Manager)</p> <p><b>MSR*:</b> commensurate with the powers and role covered</p>	–
<b>Short-term variable incentive (AMI – Annual Monetary Incentive)</b>	<p>Provided annually in monetary form, it is a useful tool to motivate and direct management's action in the short term, in line with the corporate objectives established by the Board of Directors.</p> <p>The amount of the short-term incentive depends on the position held and company and individual performance</p>	<p><b>Objectives of the Company/CEO Scorecard:</b></p> <ul style="list-style-type: none"> <li>• Adjusted EBITDA (30%)</li> <li>• Gas Infrastructure Investments (20%)</li> <li>• Energy security projects (15%)</li> <li>• Non-regulated Business - Achieving Milestones (15%)</li> <li>• Sustainability (20%)</li> </ul> <p><b>MSR objectives:</b> determined 25% by the results of the objectives assigned to the CEO and, for the remaining 75%, by individual objectives (focused on economic/ financial, operating and industrial performance, internal efficiency, as well as on sustainability and organisational behaviour topics)</p> <p><b>Clawback</b> Clauses</p>	<p>Incentives paid based on the results achieved in the previous year and assessed according to a performance scale of 70/130 points, with a minimum incentive threshold equal to an overall performance of 85 points</p> <p><b>CEO:</b> 60% of fixed remuneration for results equal to min** (score = 85); 70% percent of the fixed remuneration is granted upon achieving the target outcomes (score = 100); 91% of fixed remuneration for max. results (score = 130)</p> <p><b>MSR*:</b> variable incentive percentages based on the role covered with respect to the fixed remuneration equal to 34% upon reaching the minimum level of performance, 40% for results at target and 52% for results at the max</p>	–
<b>Long-term variable incentive (LTI - Long-Term Share-Based Incentive)</b>	Reserved for individuals in roles with the most immediate responsibility for the company's performance, it ensures a stronger alignment between the interests of shareholders and the actions of management.	<p>Three-year share-based plan with annual assignments and three-year vesting period</p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>• Adjusted net profit (40%)</li> <li>• Value Added (20%)</li> <li>• Energy Transition Readiness (20%)</li> <li>• Sustainability (20%)</li> </ul> <p><b>Allocation incentive:</b> in function of the role held</p> <p><b>Maturity incentive:</b> Three-year cumulative results measured over the vesting period on a linear scale against defined plan targets.</p> <p><b>Claw-Back</b> Clauses</p>	<p><b>CEO:</b> the incentive in case of achievement of the minimum performance level will be 106%, the target incentive is 158%, the maximum possible incentive is 210% of the fixed remuneration</p> <p><b>MSR*:</b> variable incentive percentages based on the role covered, on average the envisaged incentive values compared to the fixed remuneration are minimum 50%, with a target level of 75% and a maximum of 100%</p>	–

COMPONENT	PURPOSE AND CHARACTERISTICS	IMPLEMENTATION CRITERIA AND CONDITIONS	AMOUNTS	NEW IN 2024
<b>Benefits</b>	They are an integral part of the remuneration package and are characterised by their mainly social security or pension nature	Defined in continuity with the Policy adopted in the past years and in compliance with the provisions of national bargaining and supplementary company agreements for management	The entire management population is assigned: <ul style="list-style-type: none"> <li>• supplementary pension fund</li> <li>• supplementary health care fund</li> <li>• forms of insurance coverage against death and disability risk</li> <li>• car for business and personal use</li> </ul>	–
<b>Pay mix</b>	The 2024 Remuneration Policy guidelines establish a compensation mix that aligns with the managerial role occupied. In the case of the CEO, the weight of the variable component is accentuated compared to the rest of the managerial team		<p><b>PAY MIX target 2024</b></p>  <p><b>PAY MIX maximum 2024</b></p>  <p>● Fixed remuneration ● Short-term variable (AMI) ● Long-term variable (LTI)</p>	–
<b>Share Ownership Guidelines (SOG)</b>	Tool for aligning the long-term interests of top management with those of shareholders	The current CEO is required to meet the minimum share ownership stipulation within five years following the implementation of the policy. Newly appointed CEOs must fulfil this requirement within two terms of office, equating to six years.	<b>CEO:</b> 200% of Fixed Remuneration	Inclusion of Share Ownership Guidelines (SOG)
<b>Severance</b>	Allowances for termination of employment and/or directorship	Snam's severance policy for the CEO is defined taking into account market benchmarks, investor input and proxy advisors' voting guidelines.	For the CEO, there is a CAP on severance pay calculated as two years of annual fixed remuneration supplemented by the average AMI paid in the last three years, including any allowance for loss of notice  There are no non-competition agreements in place for the Chief Executive Officer and current Managers with Strategic Responsibilities.	–

**General Note**

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

MSR - Managers with Strategic Responsibilities

\*\* With regard to the short-term variable incentive (Annual Monetary Incentive - AMI), the minimum figure for the Chief Executive Officer remains the same as last year, at 59.5% of fixed remuneration. This value has been approximated to unity (by default for figures from zero to four and by excess for figures from five to nine).



# Introduction

This “Report on the remuneration policy and fees paid”, hereinafter also the “Remuneration Report” or the “Report”, approved by the Board of Directors on proposal of the Appointments and Compensation Committee on 13 March 2024, in fulfilment of current legislative and regulatory<sup>1</sup> requirements, defines and illustrates:

- In the first section, which is subject to the mandatory vote of the shareholders, the remuneration policy adopted by Snam S.p.A. (hereinafter referred to as “Snam” or the “Company”) for 2024 is presented. This policy pertains to the remuneration of Directors, Statutory Auditors, and Managers with Strategic Responsibilities<sup>2</sup>. It specifically outlines the overarching objectives pursued, the entities involved, and the methodologies employed to both establish and execute the Policy. The general principles and guidelines set out in the Snam Policy also apply for the purposes of determining the remuneration policies of Snam’s direct and indirect subsidiaries;
- in the second section, subject to an advisory vote by shareholders, each of the items that make up remuneration, including treatments provided in the event of termination of office or termination of employment (highlighting their consistency with the company’s remuneration policy for 2023), the fees paid in 2023 to Directors and Statutory Auditors by name, and in aggregate form to Snam’s Managers with Strategic Responsibilities, and how Snam took into account the vote cast in 2023 on the second section of the report.

The Remuneration Policy illustrated in this Report has also been adopted by the Company, as provided for by Consob Regulation 17221/2010 on the subject of related-party transactions, and pursuant to paragraph 3.2, point 7 of the Guideline “Transactions involving interests of Directors and Auditors and Related-Party Transactions” (the “Related-party Guidelines”) approved by the Board of Directors most recently on 14 September 2022. The Policy outlined in the first section of the Report has been developed largely in accordance with the recommendations for remuneration set out in the Corporate Governance Code<sup>3</sup>, which was endorsed by the Corporate Governance Committee and updated in its January 2020 edition. Snam has committed to this Code, and the Policy also aligns with the provisions of the Issuers’ Regulations instituted by Consob under Resolution No. 11971 dated 14 May 1999, as subsequently amended.

The text of this Report is made available to the public at the registered office, on the Company’s website<sup>4</sup>, and at the authorised storage mechanism “emarket Storage” ([www.emarketstorage.com](http://www.emarketstorage.com)), by the twenty-first day before the date scheduled for the Shareholders’ Meeting convened to approve the 2023 financial statements and required to express: (i) with binding resolution, an opinion on the first section of said Report and (ii) with non-binding resolution, an opinion on the second section of the Report, as provided for by current legislation<sup>5</sup>.

1 Article 123-ter of Legislative Decree No 58/98, implementing Directive 2017/828 of the European Parliament and of the Council of 17 May 2017 (Shareholder Rights Directive II, “SHRD 2”), which amends Directive 2007/36/EC (“SHRD”) as regards the encouraging of the long-term commitment of shareholders and Article 84-quater of the Consob Issuers Regulation (Resolution 11971/99 as subsequently amended and supplemented).

2 “Managers with Strategic Responsibilities” pursuant to article 65, paragraph 1-quater, of the Issuers’ Regulation, which refers to the definition in IAS 24, are “the subjects with the power and the responsibility, directly or indirectly, for planning, managing and controlling the company’s activities, including the directors (executive or otherwise) of said company”. As at the date on which this Report is approved, Snam’s Managers with Strategic Responsibilities, other than Directors and Auditors, are the following: Chief Commercial and Regulatory Officer, Chief Efficiency and Biomethane, Chief Financial Officer, Chief International Assets Officer, Chief Legal Officer and General Counsel, Chief Operations Officer, Chief People and Organisation Officer, and Chief Strategy and Technology Officer.

3 It should be noted that Snam’s long-term incentive plan, based on financial instruments, also provides for a two-year lock-up on 20% of the shares granted, gross of those required to pay tax. The shares thus become available over a period of five years, and this element of Snam’s remuneration policy is therefore in line with Recommendation 28 of the Corporate Governance Code.

4 The text is published in the “Governance > Corporate Governance > AGM: Snam Shareholders’ Meeting” section of the Company’s website.

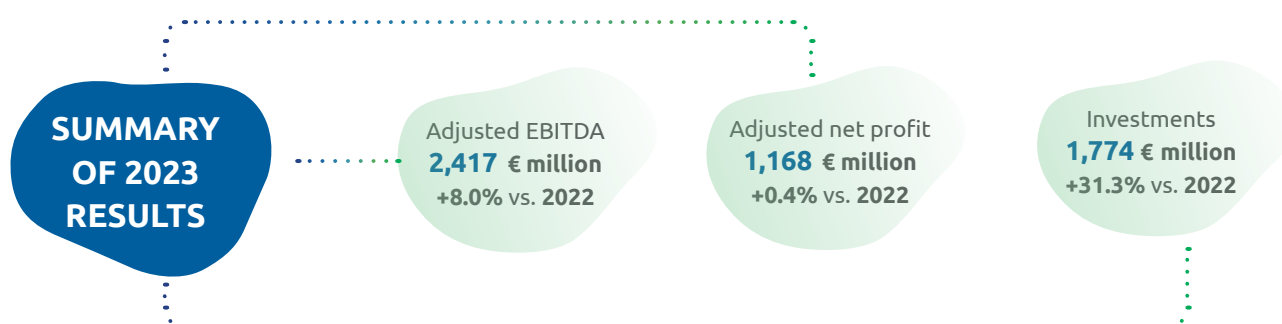
5 Changes introduced by the Legislative Decree 49/2019, article 3, first paragraph, letters e) and g), which supplement paragraph 3 and replace paragraph 6 of article 123-ter of Italian Legislative Decree no. 58/98.

## Results 2023

Total revenues: €3,875 million in net revenues, covering energy costs, marking a +16.9% increase compared to 2022. This rise is attributed to the growth in revenues from the energy transition business, which saw an increase of €410 million; +59.0%), with particular reference to energy efficiency, particularly in the residential area. Regarding the gas infrastructure sector, revenue rose by €148 million, primarily owing to an increase in regulated earnings associated with the completion of investments and performance-based incentives. This occurred despite a decrease in the volume of gas transported, attributable to generally milder temperatures compared to the first nine months of 2022, and the enactment of measures to curb gas consumption.

Adjusted EBITDA reached €2,417 million, an 8% increase compared to 2022, while Adjusted Net Profit amounted to €1,168 million, marginally surpassing the 2022 figure with a 0.4% rise.

Support for the strategy was secured through technical investments totalling €1,774 million, marking a 31.3% increase from 2022, which was also associated with the enhancement of the Piombino terminal.



## Operating figures

Gas demand in Italy in 2023 was 61.85 billion cubic metres, down by 6.86 billion cubic metres, or 10.0%, compared to 2022, due to the drop in consumption driven by the thermoelectric sector (-4.10 bcm; -13.6%), a consequence of reduced electricity demand, which was partly due to the sluggish recovery of the industrial sector, as well as an increase in hydroelectric production. Consumption in the residential sector also fell (-4.6 bcm; -15.5%), influenced by favourable weather conditions and the impact of measures implemented to reduce gas consumption in response to the diminished imports from Russia. Additionally, the gradual enhancement of energy efficiency initiatives and the upgrade to more efficient heating systems contributed to this reduction.

Overall storage capacity as at 31 December 2023, including strategic storage, amounted to 16.5 billion cubic meters, the highest in Europe in this period of supply difficulties. The capacity offered to the market for the thermal year 2023-2024 was fully booked.

Regasified LNG volumes, on the other hand, stood at 3.69 bcm (2.24 bcm in 2022); the increase is attributable to the impact of the Russia-Ukraine conflict on the gas market, which led to an increase in Lng demand to meet domestic demand, as well as the commissioning of the FSRU terminal in Piombino in May 2023.

## Strong acceleration towards the energy transition

Snam continues to support the country's decarbonisation by investing in the Energy Transition platform. This includes the advancement of green gases (hydrogen and biomethane), championing the Italian and European hydrogen backbone initiative (SouthH2 Corridor), developing Carbon Capture and Storage (CCS) infrastructure, and further expanding efforts to enhance energy efficiency.

In the realm of green gas, specifically regarding biomethane, the Group not only simplifies the process of connecting plants to the network but also, via its subsidiary Bioenergys, develops and constructs facilities. These plants concentrate on processing the organic portion of municipal solid waste as well as the ever-more vital agricultural raw materials.

Regarding hydrogen, the SouthH2 Corridor project holds particular significance. This initiative, a collaboration with other European Transmission System Operators (TSOs) such as TAG, GCA, and Bayernets, positions Snam as a catalyst for fostering a continental-scale hydrogen market. This will be achieved, in part, by repurposing the existing gas infrastructure. Carbon Capture and Storage (CCS) will also play a crucial role in the future decarbonisation efforts of the country.

Investments are also on the rise in the energy efficiency services sector, where Snam has established a dominant position through Renovit. The company has developed a robust portfolio of energy performance contracts and energy enhancement projects for businesses, residential blocks of flats, and public administration.

## Sustainability

Regarding the decarbonisation strategy, Snam has established new medium-term objectives for Scope 1 and 2 emissions associated with its regulated operations. These targets aim for a reduction of 25% by 2027, 40% by 2030, and 50% by 2032, relative to the levels recorded in 2022. Regarding Scope 3 emissions associated with regulated operations, Snam has strengthened its pledge by setting two definitive targets for reducing emissions: a 30% reduction by 2030 and a 35% reduction by 2032.

Snam has introduced a new long-term commitment for the entire Group to reach carbon neutrality by 2040 for Scope 1 and 2 emissions, and to achieve Net Zero by 2050 for Scope 1, 2, and 3 emissions, in addition to its existing targets.

In 2023, direct emissions totalled 1.39 million tonnes of CO<sub>2</sub>eq, marking a 7% decrease from 2022. Scope 1 and 2 emissions from the regulated business totalled 1.31 million tonnes of CO<sub>2</sub>eq, marking a 10% decrease compared to 2022, which has been adopted as the new baseline for measuring reductions in Scope 1 and 2 emissions, as part of the Group's decarbonisation strategy.

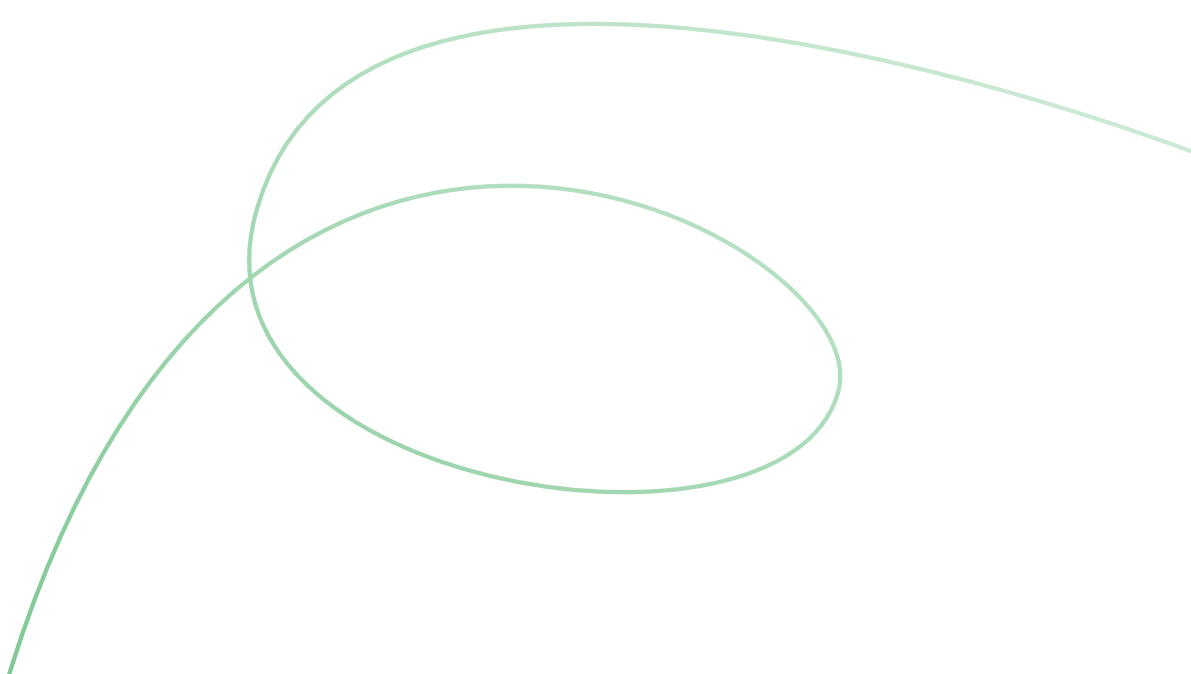
In 2023, natural gas emissions totalled 21.6 million cubic metres, marking a substantial decrease from 2022 (down by 21%) and from 2015 (down by 57%). This decline aligns with the newly established targets to cut these emissions by 64.5% by 2027, 70% by 2030, and 72% by 2032, compared to the levels in 2015. These outcomes surpassed the benchmarks set by the UNEP (United Nations Environment Programme) OGMP (Oil and Gas Methane Partnership) 2.0. In recognition of this achievement, Snam was once again honoured with the Gold Standard in 2023.

The significant achievement in reducing direct emissions was facilitated by the persistent efforts in emission reduction activities, which include:

- reduction of emissions of natural gas and thus methane, through gas recompression, hot tapping, LDAR, etc.;
- production and/or purchase of electricity from renewable sources;
- Installation of higher-efficiency heat generators;
- Installation of LED lighting systems to replace less energy-efficient light fixtures;
- savings from the renovation and efficiency-upgrading of buildings;
- maintaining smartworking among employees.

In acknowledgement of its continuous dedication to environmental sustainability, Snam has been included in the Carbon Disclosure Project (CDP) A List, as well as the CDP Supply Chain A List for 2023.

Regarding matters beyond climate change, Snam has utilised an ESG Scorecard since 2020, which has now been revised and rebranded as the Sustainability Scorecard, to track its performance in crucial areas of sustainability. These include, byway of example, the 57,000 tonnes of CO<sub>2</sub>eq avoided thanks to energy efficiency measures, the 5,970 hours donated by employees dedicated to Snam Foundation initiatives to support communities, and the percentage of spending on contracts awarded subject to ESG evaluation criteria equal to 35%.



# SECTION I

## Remuneration Policy 2024





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# Engagement process and remuneration policies

Snam considers dialogue with the main recipients and users of the Remuneration Policy to be extremely important, in order to achieve constant improvement, adopt market best practices and incorporate indications from institutional investors and proxy advisors.

The Engagement Policy is guided by the following principles:

- transparency towards shareholders, through the sharing of clear, complete, material and not misleading information;
- equal treatment of the holders of financial instruments issued by Snam;
- compliance with the laws and regulations in force and the internal rules of governance, ensuring the application of the principles of cooperation and transparency with the supervisory authorities and competent administrations.

To further foster dialogue with stakeholders and in order to comply with the recommendations of the Corporate Governance Code and engagement practices, the Policy for Managing Dialogue with Shareholders and Other Stakeholders was approved by the Board of Directors on 29 July 2021. This policy determines the modalities for requesting engagement with the Board of Directors by investors and is aimed at fostering a constant and ongoing dialogue to the benefit of all stakeholders involved, with a view to the creation of value in the medium to long term.

This policy has been formally activated on two occasions in the last two years.

Dialogue with the Board of Directors can be initiated either by a written request from a stakeholder or proactively by the Company, by arranging meetings. These meetings can be either one-way or interactive, and conducted either collectively or on a one-to-one basis, with one or more stakeholders. During these sessions, one or more directors and/or managers from the Company may participate, assisted by the relevant corporate departments.

During 2023 Snam:

- conducted the usual engagement activity with the main proxy advisors, with the aim of exploring the considerations expressed by them with reference to the key points of the Report on the remuneration policy and fees paid 2023;
- carried out, also with the help of a leading consulting firm, a detailed analysis of the main market practices in terms of the information provided to the market in the annual Remuneration Report and the presentation methods adopted by comparable companies.

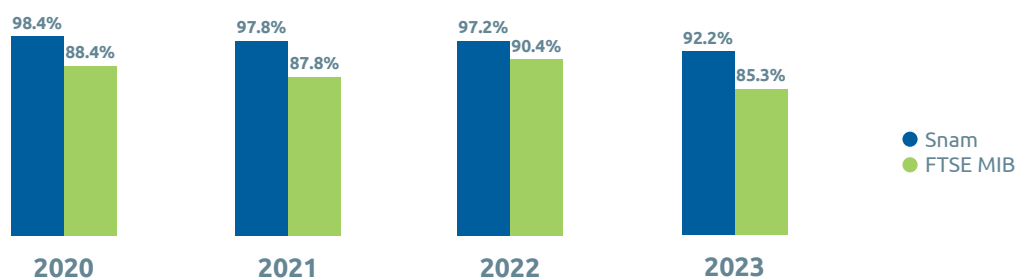
These activities, together with the feedback gathered from stakeholders, led to an update of the 2024 Remuneration Report, with the aim of better responding to the communication needs of external stakeholders.

In the first months of 2023, Snam launched a direct engagement activity with its main shareholders by organising a roadshow dedicated to Governance, Sustainability and Compensation issues before the 2023 Shareholders' Meeting. As part of this activity, the Chair of the Board of Directors, accompanied by the support functions, met with the stewardship structures of large institutional investors, who provided valuable feedback and suggestions for improvement, which are incorporated within this Report. The work on ESG (Environmental, Social, and Governance) matters will carry on into 2024, with a specific focus on presenting the new sustainability framework and providing updates on emerging disclosure and governance topics.

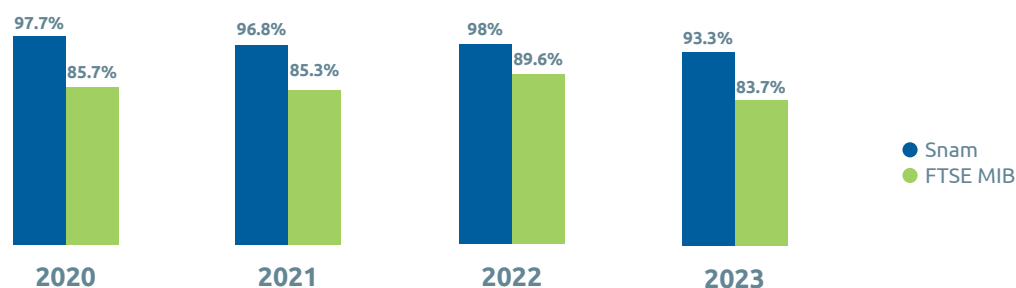
# Meeting vote results

The 2023 Report received widespread agreement among stakeholders, partly due to the company's consistent involvement in engagement activities throughout the year. The graphs below illustrate the trend in affirmative votes for Section I and Section II of the Remuneration Policy Report from 2020 to 2023.

**FIGURE 1: TREND OF FAVOURABLE VOTING OUTCOMES ON THE REMUNERATION POLICY (2020-2023)**



**FIGURE 2: TREND OF FAVOURABLE VOTING OUTCOMES ON THE REPORT ON FEES PAID (2020-2023)**



# New in 2024

The 2024 Remuneration Policy is defined in constant alignment with legal and regulatory provisions, also taking into account the results of the shareholders' meeting vote, the indications of shareholders and proxy advisors, as well as market best practices, with a view to continuous improvement.

A number of changes have therefore been made to this Report, with a view to an ever-better representation of information and greater clarity for all stakeholders. Below is a summary of the main new elements:

## MANAGERS WITH STRATEGIC RESPONSIBILITIES

Effective 1 January 2024, the Chief Executive Officer and General Manager identified the Managers with Strategic Responsibilities, expanding the number from 3 to 8.

## UPDATING THE PEER GROUP FOR BENCHMARKING ACTIVITIES

With the aim of aligning the remuneration comparison with best market practices – also incorporating the feedback received from Proxy Advisors and Institutional Investors over the years – a peer group of 22 companies (balanced between Italian and European companies, selected in light of criteria that take into account comparability with Snam in terms of business and operating model) was identified for the remuneration benchmarking of the CEO and General Manager. The panels for the Managers with Strategic Responsibilities, the Chair and the non-executive members of the Board of Directors and the Board of Statutory Auditors were defined in line with the peer group of 22 companies identified for the Chief Executive Officer, with possible refinements made for each role subject to comparison.

## SHARE OWNERSHIP GUIDELINE FOR THE ROLE OF CHIEF EXECUTIVE OFFICER (SOG)

Snam has established a policy for the CEO that includes the Share Ownership Guidelines. This policy mandates that the CEO must acquire and hold shares worth at least 200% of his Fixed Remuneration. The CEO is given a period of 5 years to comply with this requirement. Once the minimum threshold is achieved, the CEO is obliged to maintain ownership of the requisite number of shares that fulfil this condition for the duration of his tenure. This tool ensures alignment between the long-term interests of top management with those of shareholders.

Should a new CEO be appointed, he must attain the minimum share ownership level within two terms of office, which equates to six years.

# Remuneration Policy and Strategic Plan

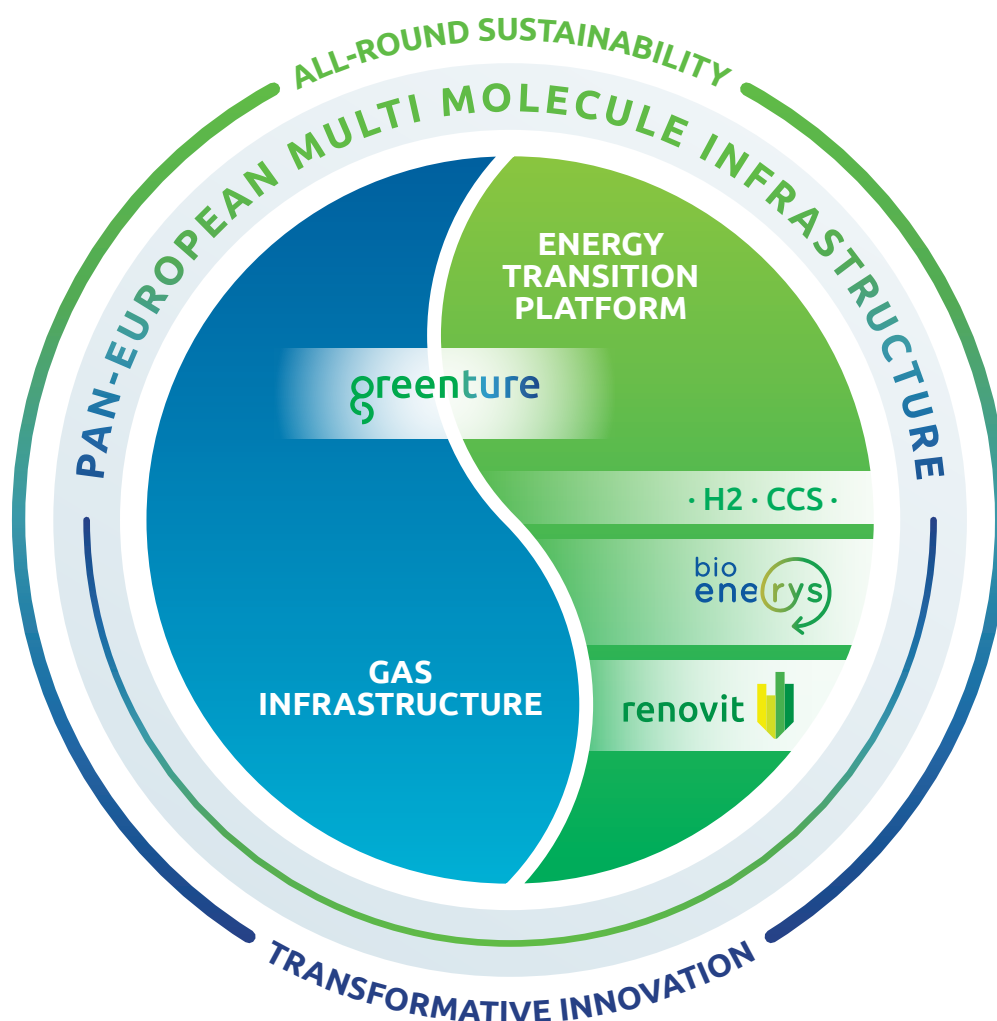
On 25 January 2024, Snam's Board of Directors approved the 2023-2027 Strategic Plan, which sees an increase in investments in order to strengthen infrastructure and contribute to the country's greater energy security and support the energy transition.

The gas infrastructure and the energy transition business platform are synergistic and interconnected. Snam's goal in devising the plan is to continue addressing the challenges of the energy trilemma in a balanced way, by developing infrastructure that ensures the security, sustainability, and competitiveness of energy supplies.

The strategy includes investments aimed at enhancing the flexibility of the energy system by appropriately sizing a multi-molecule, modular, flexible, and innovative infrastructure that spans across Europe.

In addition, there are plans to develop an Energy Transition platform that concentrates on decarbonisation technologies. This platform is expected to play a strategic and facilitating role in sustainability and innovation.

FIGURE 3 - SNAM'S INTEGRATED STRATEGIC FRAMEWORK



Snam remains steadfast in its pursuit of emission reduction goals, a dedication that has been bolstered by the new Strategic Plan. This plan sets out a clear vision for reaching net-zero emissions across all categories (Scope 1, 2, and 3) by the year 2050.

Snam's new sustainability strategy was also unveiled during the Strategic Plan presentation. This strategy takes a comprehensive approach, seamlessly integrated into the Group's operations and overarching corporate strategy. It encompasses a commitment centred around seven key pillars:

- Multi-molecule infrastructure
- Green transition
- Carbon neutrality
- Biodiversity and regeneration
- People
- Local Communities
- Transformative Innovation

Building on this comprehensive strategy, the Sustainability Scorecard has been revised, and pertinent key performance

indicators (KPIs) have been implemented to gauge advancements across all the aforementioned pillars by 2027.

With reference to the provisions of article 123-ter, paragraph 3-bis of the Consolidated Finance Act (TUF), below is a comparison of the performance objectives used in the short- and long-term incentive systems and the essential lines of the 2023-2027 Strategic Plan, showing the clear, complete alignment between the Strategic Plan and Remuneration Policy of the Company.

The Remuneration Policy is strongly geared towards ensuring alignment with the corporate strategy, focused on long-term investments, and sustainable performance over time. Therefore, the remuneration package is strongly focused on variable remuneration components, especially long-term ones.

Snam's Remuneration Policy supports the achievement of the pillars of the new Strategic Plan through an appropriate balancing of the performance parameters of the short-term and long-term incentive systems, directing management towards the goal of creating sustainable value for shareholders.

PILLARS OF THE STRATEGIC PLAN		Gas Infrastructure	Energy Transition Platform	All-round Sustainability	Transformative Innovation	
Annual Monetary Incentive (AMI)	Business Objectives	Adjusted EBITDA - 30%	✓	✓	✓	✓
		Gas Infrastructure Investments - 20%	✓			
		Energy security projects - 15%	✓			
		Non-regulated business: Milestone Achievement - 15%		✓		
	Sustainability objectives	Accident frequency and severity index - 10% Sustainability - 20% Increased sustainable funding - 5% ESG criteria in the supply chain scoring model - 5%			✓	
Long-Term Equity Incentive (LTI)	Business Objectives	Adjusted net profit - 40%	✓	✓	✓	✓
		Value Added - 20%	✓			✓
		Energy Transition Readiness - 20%	✓	✓	✓	✓
	Sustainability objectives	Km H2 ready - 10% MW installed biomethane - 5% Projects and market design CCS and H2 - 5%	✓	✓	✓	✓
	Sustainability - 20%	Reduction of natural gas emissions -10% Fair representation in the management team - 10%	✓	✓	✓	

# Sustainability

In 2023, the company approved a new sustainability strategy to transparently communicate its commitment to environmental, social and governance (ESG) matters. Snam has adopted an all-round approach, fully integrated into the Group's operations and corporate strategy, with a commitment focused on seven pillars:

- Multi-molecule infrastructure
- Green transition
- Carbon neutrality
- Biodiversity and regeneration
- People
- Local Communities
- Transformative Innovation

In line with this new strategy, the Sustainability Scorecard has been updated concurrently, and pertinent Key Performance Indicators (KPIs) have been implemented to gauge progress across all the aforementioned pillars up to 2027, which marks the endpoint of the new Strategic Plan. The Sustainability Strategy also provided an opportunity to reassess the company's decarbonisation plan, updating both the objectives and the measures required to attain them.

The Sustainability Scorecard serves as a tool for quarterly monitoring and reporting, featuring distinct KPIs and objectives within the environmental domain, such as emissions reduction, minimising natural gas emissions, fostering a responsible and sustainable supply chain, and achieving a net positive effect on biodiversity. In the social realm, it addresses welfare, employee engagement, safety, gender diversity, and support for local communities. Within the governance aspect, it focuses on the structure and effectiveness of governance, infrastructure dependability, anti-corruption measures, and the promotion of sustainable finance and innovation.

Regarding the decarbonisation strategy, Snam has established new medium-term objectives for Scope 1 and 2 emissions associated with its regulated operations. These targets aim for a reduction of 25% by 2027, 40% by 2030, and 50% by 2032, relative to the levels recorded in 2022.

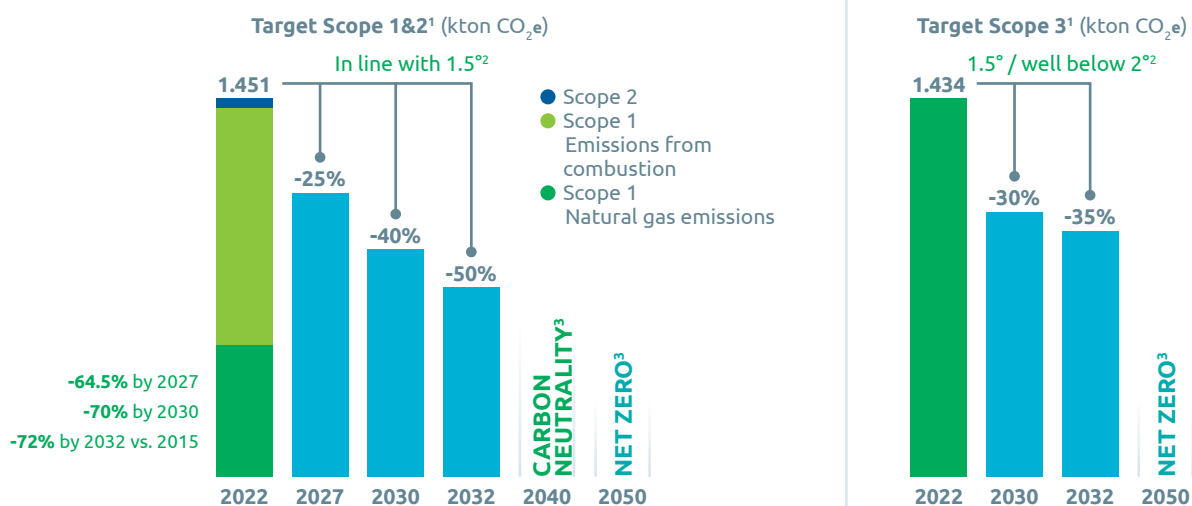
Regarding indirect Scope 3 emissions associated with regulated business, Snam has strengthened its commitment by setting two absolute emission reduction targets: a 30% reduction by 2030 and a 35% reduction by 2032.

Snam has introduced a new long-term commitment for the entire Group to attain carbon neutrality by 2040 for Scope 1 and 2 emissions, and to reach Net Zero by 2050 for Scope 1, 2, and 3 emissions. All medium-term targets have been formulated using the standard methodology of the Science-Based Targets initiative (SBTi); The objectives for Scope 1 and Scope 2 emissions align with the ambition to limit global warming to 1.5°C, as stipulated by the Paris Agreement. Meanwhile, the targets for Scope 3 emissions are consistent with keeping the temperature increase between 1.5°C and well below 2°C. The 2023 Remuneration Policy places special emphasis on ESG (Environmental, Social, and Governance) goals and, in line with the Company's sustainability strategy, specifically provides for:

- for the short-term incentive scheme, a weighting of 20% with three specific KPIs related to the topic of sustainability: the weighted frequency and severity index (IpFG) of employee and contractor accidents (10%); the percentage of the procured awarded through tenders with ESG criteria (5%); the increase in the value of sustainable financing (5%);
- for the long-term share-based incentive plan, a weight of 20% with two KPIs linked to sustainability: reductions of natural gas emissions (weight of 10%) and fair representation in terms of gender diversity in Snam's management team (weight of 10%).

The ESG and Energy Transition Scenarios Committee carries out activities that are synergistic with those of the Appointments and Compensation Committee: for example, in 2023, the ESG and Energy Transition Scenarios Committee analysed in great depth the context in which the IPFG target on accidents is defined by comparing Snam's market and peer benchmarks, the HSEQ policy and the constant improvement strategies directed towards Snam's employees as well as its suppliers.

**FIGURE 4 - CONSISTENT EMISSION REDUCTION PROCESS**



<sup>1</sup> On the regulated perimeter as in 2022.

<sup>2</sup> According to SBTi's generic methodology.

<sup>3</sup> On the perimeter of the SNAM Group.

<sup>1</sup> On the regulated perimeter as in 2022.

<sup>2</sup> According to SBTi's generic methodology.

<sup>3</sup> On the perimeter of the SNAM Group.

# Governance of the remuneration process

The process of preparing, approving and potentially reviewing the Snam Remuneration Policy involves multiple parties, as per regulatory and statutory provisions and the Company's governance model. The bodies and individuals involved in the process of approving remuneration policies are listed below.

## Shareholders' Meeting

In relation to remuneration, the Shareholders' Meeting:

- determines the remuneration of Board Members at the time of their appointment and for their entire term of office;
- resolves, on the proposal of the Board of Directors, on remuneration plans based on the attribution of financial instruments;
- expresses, by binding vote, an opinion on the first section of the Remuneration Report and, by non-binding vote, an opinion on the second section.

## Board of Directors

In complying with the recommendations contained in the Corporate Governance Code, the Board of Directors is assisted, with regard to remuneration matters, by a Committee of non-executive directors, the majority of whom are independent (Appointments and Compensation Committee), having both an advisory and a proposing role in this regard.

In relation to remuneration and in line with the Snam rules of corporate governance, the Board of Directors<sup>6</sup>:

- on the recommendation of the Appointments and Compensation Committee, and having consulted with the Board of Statutory Auditors, determines the remuneration of the Directors assigned specific duties and for participation in Board Committees;
- draws up, with the assistance of the Appointments and Compensation Committee, the policy for the remuneration of directors, general managers and Managers with Strategic Responsibilities of the Company and, without prejudice to the provisions of Article 2402 of the Civil Code, of the members of the control body and the compensation systems;
- defines, subject to verification by the Appointments and Compensation Committee, the remuneration of the Head of Internal Audit in line with the Company's remuneration policies, after having received the favourable opinion of the Control, Risk and Related Parties Transactions Committee and having consulted the Board of Statutory Auditors;
- implements the remuneration plans based on shares or financial instruments resolved upon by the Shareholders' Meeting;
- approves the Remuneration Report to be presented to the Shareholders' Meeting;
- assesses, with the support of the Appointments and Compensation Committee, the contents of the vote on the Remuneration Report carried out by the Shareholders' Meeting and the proposals of the Committee on the adequacy, overall coherence and application of the Remuneration Policy adopted for Directors and Managers with Strategic Responsibilities.

<sup>6</sup> For more information on the Snam governance structure, see the "2023 Report on Corporate Governance and Ownership Structures" published in the "Governance" section of the Company's website.



## Appointments and Compensation Committee

The Committee carries out investigations, makes proposals and provides advice to the Board of Directors on remuneration and in particular:

- 
 assists the Board of Directors in drawing up the Policy for the remuneration of directors, general managers, Managers with Strategic Responsibilities and, without prejudice to the provisions of article 2402 of the Italian Civil Code, members of the control body, also taking into account the remuneration practices widespread in the reference sectors and for companies of similar size, also considering comparable foreign experiences and availing itself, if necessary, of an independent consultant;
- 
 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;
- 
 formulates proposals relating to the remuneration of the Chair and the Chief Executive Officer, with regard to the various forms of remuneration and economic treatment, including the setting of performance objectives related to the variable component of such remuneration, where applicable;
- 
 supports the Board of Directors in determining the remuneration of the members of the committees set up within the Board of Directors;
- 
 examines the indications of the Chief Executive Officer and proposes, with a view to promoting sustainable value creation over the medium/long term: (i) general criteria for the remuneration of Managers with Strategic Responsibilities; (ii) general guidelines for the remuneration of other executives of Snam and its subsidiaries; (iii) annual and long-term incentive plans, including share-based plans;
- 
 proposes the definition of performance objectives, (coordinating with the Environmental, Social & Governance and Energy Transition Scenarios Committee as regards the identification of those that include indicators relating to ESG factors), the final accounting of company results and the definition of claw back clauses, connected to the implementation of the incentive plans and to the determination of the variable remuneration of the Directors with delegated powers;
- 
 proposes the definition, in relation to Directors with delegated powers: i) of the indemnities to be paid in the event of termination of the relationship; ii) of non-competition agreements;
- 
 monitors the application of decisions made by the Board;
- 
 periodically assesses the adequacy, overall consistency and concrete application of the Remuneration Policy, formulating proposals to the Board on the matter, verifying in particular the actual achievement of performance targets related to the variable component of remuneration;
- 
 performs any tasks required by the Guidelines for transactions with related parties adopted by the Company in the case of transactions concerning the remuneration of Snam's Directors, Auditors and Managers with Strategic Responsibilities;
- 
 proposes to the Board of Directors, subject to the favourable opinion of the Control, Risk and Related Parties Transactions Committee and after consulting the Board of Statutory Auditors, temporary exceptions to the contents of the remuneration policy, in accordance with the provisions of article 123-ter, paragraph 3-bis, of Legislative Decree 58/98.

Once a year, the Appointments and Compensation Committee examines the consistency of the remuneration of the Executive Director Internal Audit proposed by the Chief Executive Officer, by agreement with the Chair, to be submitted for the approval of the Board of Directors after seeking the favourable opinion of the Control, Risk and Related Parties Transactions Committee and consulting with the Board of Statutory Auditors.

The Committee also reports on the exercising of its functions to the Shareholders' Meetings called to approve the Financial Statements, through the Chair of the Committee, as provided for in its Regulation, and with a view to establishing a suitable channel for dialogue with shareholders and investors.

In order to assure the effective performance of its analyses and investigations, the Board of Directors assigns to the Appointments and Compensation Committee the resources required for the performance of its duties; specifically, it may – in the terms set forth by the Board of Directors from time to time – use external advisors, through the Company's structures, provided that they are not in such situations as to compromise their independence of judgement.

The composition, duties and operating procedures of the Committee are governed by a specific regulations<sup>7</sup> last approved by the Board of Directors on 12 October 2022.

## Composition of the Committee

As of the date of this Report, the Appointments and Compensation Committee is composed of three non-executive Directors, the majority of whom are independent pursuant to the Corporate Governance Code and the TUF. The Chair of the Committee is an independent director.

ROLE	MEMBER
Chair (independent)	Rita Rolli
Member	Alessandro Tonetti
Member (independent)	Massimo Bergami

The Board of Directors verified that all members had adequate knowledge and experience in matters of finance and remuneration policies.

## Committee Activities

During 2023, the Appointments and Compensation Committee met a total of 14 times with an average attendance of 88%.

In addition to the members of the Committee, the Chair of the Board of Statutory Auditors or a Statutory Auditor designated by the latter attended the meetings.

No director may take part in Committee meetings in which proposals concerning his or her own remuneration are formulated, except in the case of proposals concerning the generality of the members of the Committees established within the Board of Directors.

The Committee performed its functions according to an annual schedule that followed the cycle of activities represented below.

<sup>7</sup> The regulation governing the Appointments and Compensation Committee is available in the "Committees" section of the Company's website.

**FIGURE 5 - ACTIVITY CYCLE OF THE APPOINTMENTS AND COMPENSATION COMMITTEE 2023**


Details of the Committee's activities in 2023 can be found in the Corporate Governance Report 2023<sup>8</sup>.

For 2024, the Committee established its own calendar and planned to hold 9 meetings, 4 of which had already been held at the date of approval of this Report. Meetings already held have focused on the following topics:

- examination of the Report on the remuneration policy and fees paid 2024;
- analysis of the results of the remuneration benchmarking activities and definition of the 2024 Policy;
- performance review 2023 with reference to the annual monetary incentive 2023 for the CEO and the long-term share-based incentive 2021-2023.
- definition of performance objectives for the 2024 Annual Cash Incentive Plan and the Long-Term Equity Incentive Plan for the 2023-2025 cycle, covering the period 2024-2026.

<sup>8</sup> The 2023 Report on Corporate Governance and Ownership Structure is accessible in the "Governance" section of the Company's website.

# Remuneration Policy Guidelines 2024

## Duration, purpose and general principles of the remuneration policy

The Snam Remuneration Policy is defined in accordance with the governance model adopted by the Company and with the recommendations of the Corporate Governance Code, with a view to attracting and retaining staff with high professional and managerial skills and aligning the interests of management with the primary objective of creating shareholder value over the medium to long term.

The Remuneration Policy, also incorporating the contents of the aforementioned Corporate Governance Code, is functional to the pursuit of the company's sustainable success and, in this sense, defines:

- a balance between the fixed component and the variable component that is appropriate and consistent with the company's strategic objectives and risk management policy, taking into account the characteristics of the company's business and the sector in which it operates, while providing that the variable component represents a significant portion of total remuneration;
- the maximum limits on the payment of variable components;
- the performance objectives, to which the payment of variable components is linked, predetermined, measurable and linked in significant part to a long-term horizon consistent with the company's strategic objectives and aimed at promoting its sustainable success, including, in all variable remuneration systems (short and medium-long term) also non-financial parameters;
- the contractual arrangements that allow the company to demand repayment, in whole or in part, of variable components of fees paid (or to withhold sums subject to deferral), determined on the basis of data that subsequently proved to be manifestly incorrect and other circumstances that may be identified by the company;
- clear and pre-determined rules for the possible payment of remuneration for termination of employment, which define the maximum limit of the total amount payable by

linking it to a certain amount or a certain number of years of remuneration.

In particular, the Snam Remuneration Policy contributes to the achievement of the Company's mission, values and strategies, taking into account the remuneration and conditions of Group employees, through:

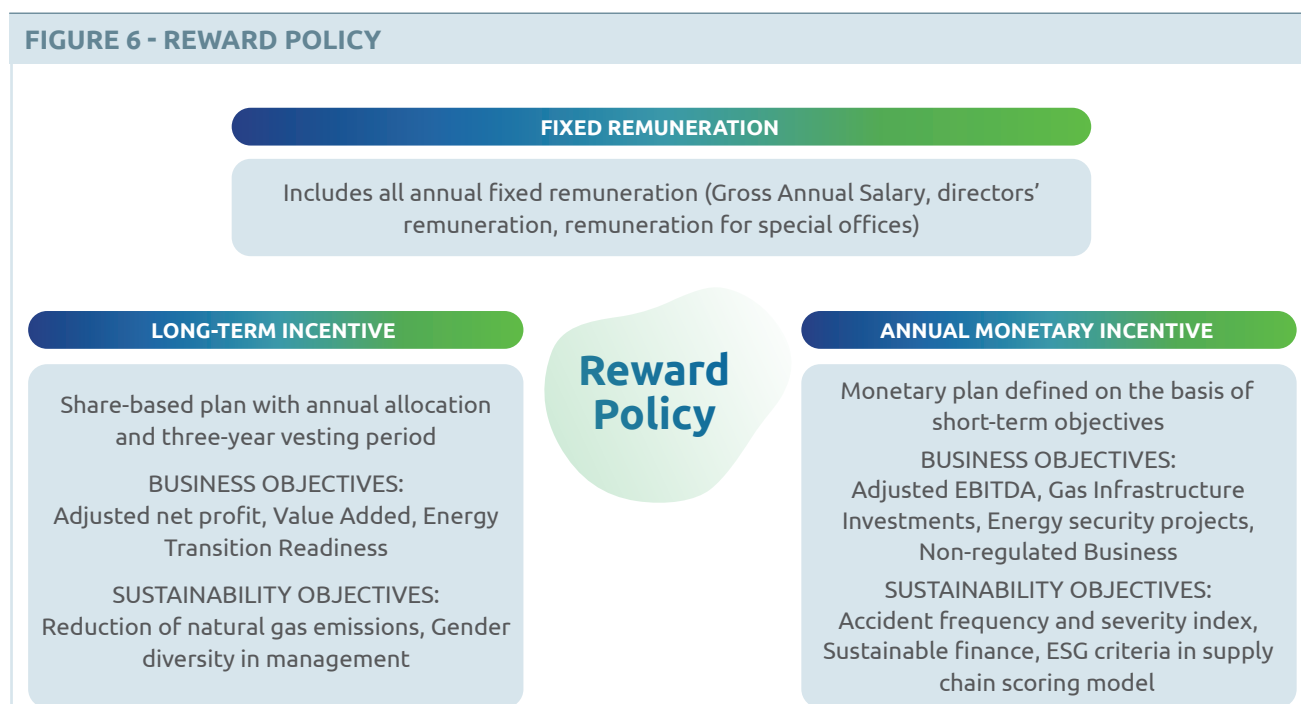
- promotion of actions and behaviours in line with the Company's culture, in compliance with the principles of plurality, equal opportunities, making the most of people's knowledge and professionalism, fairness and non-discrimination laid down in the Snam Code of Ethics. In this sense, the gender pay gap monitoring activities that Snam has defined to reduce and eliminate pay differences between women and men are applied within the principles of the remuneration policy that encourages effective gender equality. The latest results of the monitoring activities have been published by Snam in its 2023 Non Financial Statement, which is included in the Annual Financial Report for 2023;
- enhancement of employees' interests, guaranteed by assessment processes and targeted interventions during the annual remuneration policy campaigns aimed at rewarding the skills, experience and contribution of each individual resource;
- recognition of the responsibilities assigned, the results achieved and the quality of the professional contribution made, taking into account the context, and the market references applicable to similar positions or roles of a similar level of responsibility and complexity and, sometimes, of the individual's experience and career path;
- recognition of merit as the basis for management and rewarding actions both in terms of professional development and career opportunities, being, at the same time, the reference parameter so that people management meets criteria of fairness and sustainability.

Additional severance indemnities may be defined at the end of a contract and/or mandate, in line with the remuneration received, for executive roles characterised by the "fixed-term" nature of the employment or by a higher risk of being attracted by the competition.

## Remuneration policy

The Guidelines to the 2024 Remuneration Policy (hereinafter also the “Guidelines”) are defined in line with that established in 2023, consistent with the purpose and general principles laid down, and have been assessed by the Appointments and Compensation Committee as consistent with the applicable market references.

The remuneration instruments provided for are summarised and explained by the following chart:



## Remuneration of the Board of Directors, Committees and the Board of Statutory Auditors

The remuneration for the 2022-2024 term of office for the various offices within the Board of Directors, Committees and Board of Statutory Auditors is shown below.

BODY	OFFICE HELD	REMUNERATION (GROSS PER ANNUM, EUROS)
Board of Directors	Chair	310,000 <sup>9</sup>
	Non-executive Director	70,000
Appointments and Compensation Committee	Chair	25,000
	Member	20,000
Control and Risk and Related-Party Transactions Committee	Chair	35,000
	Member	25,000
Environmental, Social & Governance and Energy Transition Scenarios Committee	Chair	25,000
	Member	20,000
Board of Statutory Auditors	Chair	80,000
	Standing Auditor	60,000

The Chair’s salary structure includes a fixed salary commensurate with the position held. The remuneration of Non-executive Directors is commensurate with the commitment required in relation to participation in Board Committees; the remuneration of the Chair differs from that of the members of each Committee, taking account of the role attributed to the former in respect of the coordination of duties and liaison with Company Boards and Departments. With regard to the nature of the office, there is no provision for: i) short- or long-term variable incentive components; ii) benefit<sup>10</sup>.

<sup>9</sup> Including the remuneration set by the Shareholders’ Meeting for the Directors of €70,000 gross per annum.

<sup>10</sup> It should be recalled that on 18 April 2008, the Shareholders’ Meeting authorised the Board of Directors to extend the insurance policy, provided for the management to cover professional risks, to include the directors and auditors of Snam S.p.A. according to the standard terms and conditions in practice on the insurance market. The aforementioned authorisation was taken up in the context of the subsequent Reports to the Shareholders’ Meeting on the remuneration of Directors and Auditors and most recently at the Shareholders’ Meeting held 2 April 2019. The policy, which also guarantees coverage of the new members of these bodies, provides for a total limit and an annual premium of €50 million and about €190,000 respectively.

In light of recommendation 29 of the Corporate Governance Code, the remuneration paid to non-executive directors is appropriate to the professionalism and commitment required of them within the Board of Directors and its committees; this remuneration is not linked to financial performance objectives. No distinction is drawn in terms of remuneration for Independent directors.

With respect to the Board of Statutory Auditors, as regards the nature of the office, the following are not provided for:

- i) short- or long-term variable incentive components;
- ii) agreements on severance indemnity and benefits; benefits (apart from as specified in note 10 with reference to insurance coverage).

### Severance indemnity and benefits

Given the nature of the office, there are no agreements on severance indemnity and benefits.

### Remuneration of the Chief Executive Officer and Managers with Strategic Responsibilities

For the Chief Executive Officer and Managers with Strategic Responsibilities, a remuneration structure is confirmed with a suitable balance of a fair fixed component for the responsibilities assigned and a variable component defined within maximum limits and aimed at hinging remuneration to performance defined with a pay mix that assigns greater value to the variable component, in particular in the long term, than the external market.

#### Fixed remuneration

The fixed remuneration of the Chief Executive Officer, based on the evidence presented by the Appointments and Compensation Committee to the Board of Directors at its meeting of 30 June 2022, was defined as €900,000, taking into account: the remuneration established by the Shareholders' Meeting for Directors, amounting to €70,000; the remuneration approved by the Board in relation to the delegated powers, amounting to €150,000; The annual gross salary for the role of General Manager is set at €680,000. For Managers with Strategic Responsibilities, the fixed salary is established according to the duties and responsibilities of the position, while also considering the prevailing salary levels in the relevant market, and occasionally reflecting the individual's experience and career progression.

In light of these factors, the fixed remuneration of Managers with Strategic Responsibilities may be adjusted periodically, as part of the annual salary review process that affects the entire managerial population. Given the reference context and current market trends, and in continuity with 2023, the guidelines for 2024 provide selective criteria while however maintaining high levels of competitiveness and motivation. In particular, the proposed actions will concern adjustments aimed at those who hold positions for which the scope of responsibility has increased or which are positioned no higher than the median market references.

Furthermore, in their capacity as Snam managers, the Chief Executive Officer and Managers with Strategic Responsibilities receive travel allowances for work-related travel undertaken both nationally and abroad, in line with the provisions of the reference national collective bargaining agreement and supplementary company agreements.

#### Variable remuneration<sup>11</sup>

Variable remuneration is structured into a short-term component and a long-term share-based component with a view to assuring the sustainability of results and the creation of value for shareholders in the medium/ long term.

The assessment of the assigned performance objectives is carried out net of the effects of the exogenous variables deriving from the evolution of the reference scenario, in order to enhance the effective individual contribution to the achievement of the assigned performance objectives.

#### Short-term variable incentives

The annual variable component for the CEO, known as the Annual Monetary Incentive Plan (AMI), is calculated based on the performance of Snam in the preceding year against set targets. The incentive levels are defined as minimum (performance = 85), target (performance = 100), and maximum (performance = 130), corresponding to 60%<sup>12</sup> (minimum), 70% (target), and 91% (maximum) of the CEO's fixed remuneration, respectively. For Managers with Strategic Responsibilities, these incentive levels are differentiated and capped at 34% (minimum), 40% (target), and 52% (maximum) of their fixed remuneration, respectively.

<sup>11</sup> Data is rounded to the nearest unit (downwards in the case of zero to four digits and upwards in the case of five to nine digits) for the purposes of representative convention only. The Company has established precise approximation rules within its formal methodology for determining the allocation of the Chief Executive Officer's LTI 2020-2022 long-term equity incentive plan (2020-2022 cycle).

<sup>12</sup> The minimum figure remains the same as last year, amounting to 59.5% of the CEO's fixed remuneration. This value has been approximated to unity (by default for figures from zero to four and by excess for figures from five to nine).

FIGURE 7 - AMI 2024 OBJECTIVES FOR THE CHIEF EXECUTIVE OFFICER

Objective	Description	Weight	Scenarios	Performance	Score	
Business Objectives	Adjusted EBITDA <sup>(*)</sup>	30%	Minimum	Budget Target -2%	70	
			Target	Budget Target +1%	100	
			Maximum	Budget Target +2%	130	
	Investments Gas Infrastructure/1 Spending: Regulated Gas Infrastructure	Value of the technical investments of the gas infrastructure (transport, storage, regasification). Measured to "centre" the budget value.	10%	Minimum	Budget Target +/-7%	70
				Target	Budget Target +/-5%	100
				Maximum	Budget Target +/-3%	130
	Investments Gas Infrastructure/2 Milestones main projects	These are the main investment projects related to transport, storage and LNG activities.	10%	Minimum	2 out of 4 milestones reached	70
				Target	3 out of 4 milestones reached	100
				Maximum	4 out of 4 milestones reached	130
	Energy security projects	Projects aimed at enhancing the security of gas supply in Italy, including the FSRU Ravenna, the Sulmona power plant, and the increased supply capacity at Sergnano and Ripalta.	15%	Minimum	1 out of 3 projects	70
				Target	2 out of 3 projects	100
				Maximum	3 out of 3 projects	130
	Non-regulated Business - Achieving Milestones <sup>(*)</sup>	These are major projects related to Biomethane and Energy Efficiency and CCS.	15%	Minimum Target Maximum	A scorecard weights the degree of achievement on each project in the "Non Regulated Business" area against pre-defined levels of performance minimum, target and maximum.	
	Sustainability objectives	Sustainability/1 IpFG <sup>(**)</sup>	10%	Minimum	0.8	70
				Target	0.55	100
Maximum				0.4	130	
Sustainability/2 Sustainable Finance (%) <sup>(***)</sup>		Increase (in %) of sustainable funding.	5%	Minimum	80%	70
				Target	90%	100
				Maximum	100%	130
Sustainability/3 ESG criteria in supply chain scoring mode <sup>(*)</sup>		Percentage of the procured awarded through tenders with ESG criteria within the scoring model.	5%	Minimum	30%	70
				Target	35%	100
				Maximum	40%	130

<sup>(\*)</sup> - For performance levels below the minimum, the score is zero.

- For intermediate performance levels between the minimum and the target and between the target and the maximum, the score is calculated by linear interpolation.

- For performance levels above the maximum, the score is always 130.

<sup>(\*\*)</sup> The scope of analysis will include, if any, companies acquired after 6 months of their acquisition.

<sup>(\*\*\*)</sup> Represented by sustainable finance instruments i.e. medium- and long-term ESG instruments (over 24 months) out of total instruments issued in 2024 (over 24 months), excluding 2024 pre-funding activities already finalised as at 31.12.23. The target and maximum perimeter also includes potential new M&A funding in ESG format.

The table shows the overall scoring levels and related payouts of the AMI 2024 for the CEO:

FIGURE 8 - INCENTIVE CURVE AMI 2024

Scenarios	Overall Score	Payout (% vs. target)
Threshold	85	85%
Target	100	100%
Maximum	130	130%

The 2024 corporate objectives approved by the Board of Directors on 13 March 2024 and attributed directly to the Chief Executive Officer focus on the Company's economic, financial and operating performance, on gas infrastructure investments, energy security projects, the development of new business and on sustainability topics.

The final value calculated on the corporate objectives will arise from the sum of the results of the individual objectives, weighted accordingly; The result of each objective corresponds to a score calculated by linear interpolation between a minimum of 70, a target of 100 and a maximum of 130, with a minimum (threshold) level on the overall result of 85. The structure of the Annual Monetary Incentive (AMI) does not provide for any incentive payments if all business objectives are not met.

For Managers with Strategic Responsibilities, the variable annual incentive is determined in part (25%) from the company results on the objectives assigned to the Chief Executive Officer by the Board of Directors and, for the remainder (75%), from individual objectives focused on economic/financial, operational and industrial performance, internal efficiency, and issues relating to the managerial expertise model assigned in relation to the scope of responsibilities of the role held, in coherence with the provisions in the Company's performance plan.

Only in exceptional cases it is possible to pay entry bonuses to Managers with Strategic Responsibilities during the recruitment phase, in order to encourage the acquisition of resources with high managerial seniority and/ or possessing specific skills considered critical for the business and essential for the achievement of the Group's strategic objectives. Snam also has the right to recognise, during the hiring process, length of service at other companies in the case of proven leadership roles with high seniority.

### Long-term variable incentives<sup>13</sup>

In 2022-2023, a new long-term share-based incentive plan for the next three years was defined and submitted for approval to the Shareholders' Meeting of 4 May 2023. The new share plan, in continuity with the previous three-year plan, envisages three annual grants of shares (the so-called rolling plan), each of which corresponds to a three-year performance reference period (2023-2025, 2024-2026, 2025-2027); for each award, any payment is expected after three years (vesting period) to an extent linked to the results achieved and will have a minimum value of 106%, a target value of 158% and a maximum value of 210% of the fixed remuneration, for the Chief Executive Officer.

For Managers with Strategic Responsibilities, any incentive paid will have an average value of 50% as a minimum level, 75% as a target and 100% as a maximum level of fixed remuneration.

The achievement of performance conditions at minimum, target and maximum level respectively entails the accrual of 67%, 100% and 133% of the shares attributed; below minimum level, the percentage will always be zero.

At the end of the vesting period, an additional number of shares will be assigned, defined as "dividend equivalent", calculated as the equivalent value of dividends not used with respect to the number of shares effectively accrued. The plan also provides for a two-year lock-up on 20% of the shares assigned, gross of those necessary to fulfil tax requirements.

Snam is aware of the capital dilution that may result from the allocation of share-based incentive instruments to its employees. Therefore, it should be noted that Snam only uses its own shares to finance the Long-Term Share Incentive (LTI).

<sup>13</sup> Data is rounded to the nearest unit (downwards in the case of zero to four digits and upwards in the case of five to nine digits) for the purposes of representative convention only. The Company has established precise approximation rules within its formal methodology for determining the allocation of the Chief Executive Officer's LTI 2020-2022 long-term equity incentive plan (2020-2022 cycle).



The performance conditions applicable for the second cycle of attribution of the Plan<sup>14</sup> are connected to the following parameters:

**FIGURE 9 - DETAILS 2024-2026 LTI OBJECTIVES**

	Objective <sup>(*)</sup>	Description	Weight	Scenarios	Performance (absolute values)	Performance (% vs. target)	Payout (% of rights accrued)
Business Objectives	Adjusted net profit	Calculated as the sum of Adjusted net profit for 2024, 2025 and 2026.	40%	Minimum	€ mln 3,655	99%	27%
				Target	€ mln 3,692	100%	40%
				Maximum	€ mln 3,784	102%	53%
	Value Added	Reflects the value generation of the regulated business calculated as the change in RAB in the period 2024-2026, plus dividends distributed, treasury shares repurchased and reduced by the change in net debt <sup>(**)</sup> .	20%	Minimum	€ mln 3,612	98%	13%
				Target	€ mln 3,688	100%	20%
				Maximum	€ mln 3,802	103%	27%
	Energy Transition Readiness/1 Km H2 ready	Third-party certification on "H2 Ready" status of a portion of the km.	10%	Minimum	2,600 km	93%	7%
				Target	2,800 km	100%	10%
				Maximum	3,000 km	107%	13%
	Energy Transition Readiness/2 MW installed biomethane	Development base MW installed in the Biomethane business.	5%	Minimum	48 MW	76%	3%
				Target	63 MW	100%	5%
				Maximum	78 MW	124%	7%
	Energy Transition Readiness/3 Projects and market design CCS and H2	Development of decarbonization projects and definition of the H2 and CCS business model and market design.	5%	Minimum	1 out of 2 milestones reached	50%	3%
				Target	2 out of 3 milestones reached	100%	5%
				Maximum	3 out of 4 milestones reached	150%	7%
Sustainability objectives	Sustainability/1 Reducing natural gas emissions	Reduction of natural gas emissions in 2026 compared to 2015 values (bn/Scm) <sup>(***)</sup> .	10%	Minimum	-59.0%	98%	7%
				Target	-60.5%	100%	10%
				Maximum	-62.0%	102%	13%
	Sustainability/2 Gender Diversity in Management	Equal representation in terms of gender diversity in the management team of Snam <sup>(****)</sup> .	10%	Minimum	26.5%	98%	7%
				Target	27.0%	100%	10%
				Maximum	28.5%	106%	13%

<sup>(\*)</sup> The objective achievement level is calculated according to a linear interpolation criterion between minimum, target and maximum values.

<sup>(\*\*)</sup> The change in net debt is calculated excluding changes to working capital connected with regulatory dynamics and considering changes to commercial working capital.

<sup>(\*\*\*)</sup> Higher than recommended by the Oil & Gas Methane Partnership Framework (OGMP 2.0) prepared by the United Nations Environment Program (UNEP).

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

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

## Severance indemnity and benefits and non-competition agreements

In accordance with the reference markets, severance indemnity is provided for the Chief Executive Officer for the termination of the directorship and managerial position.

Upon the simultaneous termination of both relationships, in connection with the non-renewal of the mandate upon its expiry or with the early termination of the mandate, in line with the market benchmarks and with the voting guidelines of the proxy advisors, there is a Cap to the severance calculated as two years of the fixed annual remuneration integrated by the average of the Annual Monetary Incentive paid in the last three years, including any indemnity for failure to give notice. The indemnity is not payable if the employment contracts are terminated for just cause or due to dismissal with notice on subjective grounds involving the notion of justifiability as defined by the collective agreement or in the event of a resignation. No provision is made for assigning or retaining non-monetary benefits for a period after termination of the relationship.

For Managers with Strategic Responsibilities, severance pay established by the reference national collective bargaining agreement shall be due.

The effects of possible termination of the contract of employment on the rights allocated under existing long-term incentive plans are described below:

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

Based on the figures referenced in the Policy, Snam reserves the right to consider establishing collaborative and/or consultancy arrangements following the conclusion of a professional/employment relationship, should there be a requirement to retain,

in the interest of the company, for a limited period of time after the termination of the relationship, the skills and contributions of the director and/or Manager with Strategic Responsibilities and for the performance of specific, predetermined activities (for a fee based on the purpose and scope of the activity requested).

There are no non-competition agreements in place for the Chief Executive Officer and current Managers with Strategic Responsibilities.

In light of the growing risk in terms of retention, due to entry into highly competitive and specific business segments, the company reserves the right to evaluate on a case-by-case basis the opportunity to activate non-competition agreements with managers operating in those segments. The consideration for the covenant shall be determined according to the temporal and territorial extension, as well as the object of the covenant, also taking into account the provisions of the applicable regulations and the remuneration of the beneficiary at the time of termination of contract.

## Benefits

Benefits are defined in line with pay practices in the reference market and are consistent with current regulations, in order to complete and enhance the overall remuneration package, taking into account the roles and/or responsibilities assigned.

Consequently, in accordance with the terms of national collective bargaining and additional corporate agreements for Snam's management, the Chief Executive Officer and Managers with Strategic Responsibilities are members of the Supplementary Pension Fund (FOPDIRE or PREVINDAI)<sup>15</sup>, the Supplementary Health Care Fund (FISDE)<sup>16</sup>, and have insurance coverage for death and disability risks. They are also provided with a car for both personal and professional use.

For the CEO, there is the possibility of using a property leased for guest use by the company in accordance with the company regulations in force.

## Executive Director Internal Audit

For the Executive Director Internal Audit, the Board of Directors, on the opinion of the Control, Risk and Related Parties Transactions Committee, after consulting the Board of Statutory Auditors and after verification by the Appointments and Compensation Committee, has provided for: a performance evaluation form with exclusively measurable functional objectives, excluding objectives of an economic-financial nature; the determination of the annual monetary incentive exclusively on the basis of the results relating to this form; the assignment of minimum/ target/ maximum performance levels and the evaluation of the results achieved carried out by the Control, Risk and

<sup>15</sup> Contractual pension fund with defined contributions and individual capitalisation, [www.fopdire.it](http://www.fopdire.it).

<sup>16</sup> Fund providing reimbursement of healthcare costs for serving and retired executives and their families, [www.fisde-eni.it](http://www.fisde-eni.it). There is also an additional health insurance (Generali/Previdgen), supplementary to the FISDE.

Related Parties Transactions Committee; the homogeneity of the other forms of incentive and benefits recognised, with respect to the entire management team.

## Derogations

Please note that in accordance with paragraph 3-bis of article 123-ter of the TUF, the Board of Directors of Snam, upon proposal of the Appointments and Compensation Committee, subject to the favourable opinion of the Risk, Control and Relatedparty Transactions Committee and having consulted the Board of Statutory Auditors, may temporarily depart from the contents of the Remuneration Policy illustrated in this Report, if exceptional circumstances arise, meaning situations that fall within the general cases referred to in article 123ter of the TUF, i.e. where the departure from the Remuneration Policy is necessary in order to pursue the long-term interests and sustainability of the company as a whole, or to ensure its ability to stay on the market.

In particular, exceptional circumstances include, by way of example, the following:

- the occurrence of discontinuities in the organisation of the business, whether linked to extraordinary transactions, such as mergers and disposals, including of companies/branches of companies, or linked to significant changes in the composition of top management;
- the occurrence of exogenous changes of a socio-economic nature or the occurrence of extraordinary and unforeseeable events (e.g. pandemics, conflicts, etc.) that affect the context of the reference markets, at a global and/or individual country level, and generate a significant impact on the Group's results.

In these contexts, the process, in which the Board of Directors is the body entrusted with the approval of the eventual exception, makes it necessary for all the persons concerned to abstain from participating in the Board's discussions and resolutions relating to their own remuneration.

The elements of Snam's 2024 remuneration policy from which, in the presence of exceptional circumstances, it is possible to make exceptions, without prejudice to the provisions of Regulation no. 17221 of 12 March 2010, are as follows:

- fixed remuneration;
- short-term variable component (AMI), with regard to the criteria for measuring performance objectives, the relative weights, the level of achievement of the objectives, the provision of any deferral mechanisms, and ex-post correction mechanisms (claw-back);
- long-term variable component (LTI), with regard to the criteria for measuring performance objectives, the relative weights, the level of achievement of the objectives, the redefinition of the lock-up period, and the ex-post correction mechanisms (claw-back);

- benefits, with regard to the provision of additional nonmonetary benefits and insurance, social security and pension coverage.

## Claw-back mechanisms

In 2014, a claw-back clause was introduced applicable to the variable incentive systems, through which Snam, by the legal deadline (ten years) will be able to take back possession of all or part of the amounts disbursed if it is ascertained that these amounts have been determined on the basis of objectives that were achieved through wilful or grossly negligent conduct or, in any case, in breach of the reference standards, or achieved on the basis of data that was later found to be clearly incorrect.

In 2015, the Compensation Committee prepared a document that explains the process and responsibilities connected with the activation of this clause. This process envisages the clause activation procedure to be launched upon the identification of errors/imprecisions and/or the non-existence of data/acts/events, also in connection with reports resulting from the audit activities. For findings relating to:

- The clause will be activated by the Chief Executive Officer, upon consultation with the Chief People & Organisation Officer, who will also notify the Appointments and Compensation Committee regarding individual performance assessments;
- the objectives of the corporate card or long-term incentive plans, the clause will be activated by the Board of Directors on the basis of the recommendation made by the Appointments and Compensation Committee.

The document describing this process is delivered to assignees of the incentive plan at future attributions or promises of incentive.

## Share Ownership Guidelines (SOG)

Snam has established a policy for the CEO that includes the Share Ownership Guidelines. This policy mandates that the CEO must acquire and hold shares worth at least 200% of his Fixed Remuneration. The CEO is given a period of 5 years to comply with this requirement. Once the minimum threshold is achieved, the CEO is obliged to maintain ownership of the requisite number of shares that fulfil this condition for the duration of his tenure. This tool ensures alignment between the long-term interests of top management with those of shareholders.

Should a new manager be appointed as Chief Executive Officer subsequent to the policy's effective date, he must achieve the minimum share ownership level within two terms of office, equivalent to six years. This timeframe is designed to facilitate the acquisition of shares through allocations from the long-term incentive plan.

## Market references and pay mix

In January 2024, the Appointments and Compensation Committee undertook a review to update the panel of companies to be used for benchmarking the remuneration of the CEO and General Manager, Managers with Strategic Responsibilities, the Chair, Non-executive Directors, members of the Board of Statutory Auditors, and the Executive Director Internal Audit. Regarding the roles of CEO and General Manager, there has been no change in remuneration positioning, which remains between the first quartile and the median.

The peer group update process involved assistance from independent external consultants. Their objective was to align the remuneration benchmarking with market-leading practices, taking into account feedback from Proxy Advisors and Institutional Investors received over the years. The peer group thus formed comprises companies that are most closely comparable to Snam in terms of business activities, risk profile, and operational model.

The peer comparison group was established by categorising companies into three clusters based on their type of business: Industrial, Utilities/Energy, and Regulatory/Infrastructure. This group consisted of 22 companies, with 10 being Italian and 12 from other European countries. During the panel review process, no American companies were considered, and in terms of size, Snam is positioned at the median of the panel in terms of market capitalisation and revenues.

## Chief Executive Officer and General Manager, Managers with Strategic Responsibilities

For the remuneration benchmarking of the CEO and General Manager, a peer group of 22 companies was identified, balanced between Italian and European companies, selected in light of criteria that take into account comparability with Snam in terms of business and operating model. In comparison with the chosen panel, the remuneration positioning of Snam's CEO and General Manager, in terms of total direct compensation<sup>17</sup>, falls between the first quartile and the median.

FIGURE 10 - CRITERIA AND PANEL SELECTED FOR CEO REMUNERATION BENCHMARKING



The panels for Managers with Strategic Responsibilities were defined in line with the parameters used to select the panel for the Chief Executive Officer and General Manager. Italian and European companies from the Mercer MERG Western Europe survey and Mercer Databases were selected.

<sup>17</sup> Equal to fixed remuneration and considering the valorisation of short-term and long-term incentives 2024 under the assumption of target results.

## Board of Directors, Board of Statutory Auditors and Executive Director Internal Audit

The panels for the Chair and the non-executive members of the Board of Directors, the members of the Board of Statutory Auditors and the Executive Director Internal Audit were defined consistently with the parameters used to select the panel for the Ceo and General Manager.

Specifically, for remuneration benchmarking purposes, starting with the CEO panel:

- Companies listed on the FTSE MIB index that have a Non-Executive Chair were chosen for the role of Chair of the Board of Directors;
- for non-executive directors and members of the Board of Statutory Auditors, the companies belonging to the FTSE MIB index that, according to the governance model adopted, provide for such figures were selected;
- a panel of Italian companies in the Mercer MERG Western Europe survey and Mercer Databases was identified for the role of Executive Director Internal Audit.

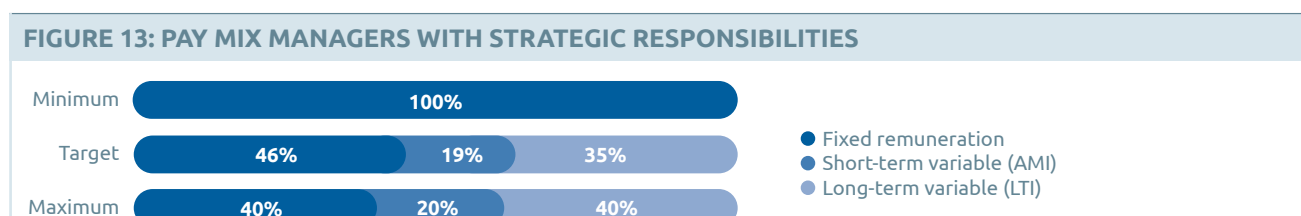
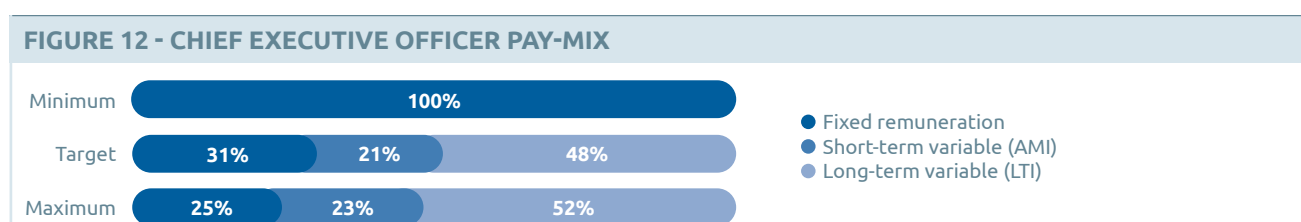
Below are the relative market positions with respect to the reference panels:

FIGURE 11 - 2023 POSITIONING (IN TERMS OF TOTAL DIRECT COMPENSATION)	
<b>Chief Executive Officer and General Manager</b>	Between first quartile and median
<b>Board of Directors</b>	
Chair	Between first quartile and median
Non-executive members	Between first quartile and median
<b>Board of Statutory Auditors</b>	
Chair	Between first quartile and median
Members	Between first quartile and median
<b>Managers with Strategic Responsibilities</b>	Between median and third quartile
<b>Executive Director Internal Audit</b>	Between median and third quartile

Although the choice of a different panel (from 30 to 22 companies) did not produce substantial discrepancies in the general market positioning, it should be noted that the remuneration positioning of Managers with Strategic Responsibilities shown in the table is not directly comparable with that presented in 2023 solely due to the effect of the increase in their number (from 3 to 8).

## Pay-mix 2024

The aforementioned analyses of salary positioning have underscored Snam's implementation of a remuneration mix marked by a predominance of the variable component for all roles with a greater incidence on company results. The pay mix graphs shown below are calculated considering the valuation of short- and long-term incentives in the hypothesis of results at minimum (understood as not reaching the minimum value foreseen by all short- and long-term variable incentive plans), at target and at maximum.



## SECTION II

# Fees paid in the financial year 2023



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# IMPLEMENTATION OF THE 2023 REMUNERATION POLICIES

Below is a description of the implementation for the year 2023 of the Remuneration Policies in favour of the Chair of the Board of Directors, Non-executive Directors, Chief Executive Officer, Board of Statutory Auditors and Managers with Strategic Responsibilities.

Implementation of the 2023 Remuneration Policy, as verified by the Appointments and Compensation Committee during the periodic assessment as required by the Corporate Governance Code, remained in line with the general principles referred to in the resolutions passed by the Board of Directors. On the basis of the Committee's assessment, the 2023 Policy was essentially in line with the known market benchmarks.

The following pages also show the 2023 performance results accrued against the targets assigned by the Snam Board of Directors, which will determine, or contribute to determining, the incentives that will be paid in 2024. The amounts related to the incentive schemes, and reported in the first part of Section II and in the Consob Tables, are therefore considered to be represented on an accrual basis.

In implementing the 2023 Remuneration Policy, the Appointments and Compensation Committee took into account the vote and assessments made at the Shareholders' Meeting held on 4 May 2023 on Section II of the Policy on Remuneration and remuneration paid, valid for FY 2023, which received favourable votes equal to 93.3% of the total shares.

In accordance with the provisions of article 123-ter, paragraph 8-bis of the Consolidated Finance Act, the independent auditors appointed to perform the legal audit of the financial statements (Deloitte & Touche S.p.A.) have correctly verified the preparation of Section II of this Report by formally checking the publication of the information contained therein.

## Fixed remuneration and remuneration for participation in Board Committees

### Term of office 2022-2024

The Non-executive Directors received a fixed annual remuneration of €70,000 gross, as approved by the Shareholders' Meeting on 27 April 2022, for the year 2023. Furthermore, they were paid additional fees for their participation in Board Committees, as determined by the Board of Directors on 30 June 2022. The specifics of these fees are outlined in Table 1, under the section "Remuneration for Participation in Committees".

As regards the Chair, the remuneration has been disbursed as resolved by the Board of Directors in the meeting held on 30 June 2022 for a gross amount of €310,000, including the annual fixed remuneration for the Directors established by the Shareholders' Meeting of 27 April 2022.

Fixed remuneration approved by the Board of Directors

during the meeting of 30 June 2022 for the powers and duties assigned was paid to the Chief Executive Officer, which includes remuneration as a Director approved by the Shareholders' Meeting.

With regards to Managers with Strategic Responsibilities as part of the annual salary review process provided for all managers, selective adjustments were made in 2023 to the fixed remuneration, where it was the case to adjust remuneration levels in line with reported market references. For 2023, the amount at the aggregate level corresponding to the Gross Annual Salary of Managers with Strategic Responsibilities was €978,452.

The amounts relating to fixed remuneration are specified under the relevant items in Table 1.

Any indemnities with regard to salaries provided for by the relevant national collective bargaining agreements and supplementary company agreements are set out in the notes to this table.



## Variable incentives<sup>18</sup>

### Short-term variable incentives

The short-term variable incentive will be paid, with regard to the Chief Executive Officer, based on the company's performance in 2023, in relation to the achievement of the defined objectives.

The table below shows, for each performance objective assigned to the Chief Executive Officer, the point values for each level of performance and the related final data, together with the score achieved.

**FIGURE 14 - ACHIEVEMENT OF AMI TARGETS 2023**

AMI 2023 CEO/GM Target Scorecard		Minimum value	Target value	Maximum value	Actual value	Minimum score	Target Score	Maximum score	Score achieved
Adjusted EBITDA (€ million) <sup>(*)</sup>		2,252	2,321	2,344	2,417	21	30	39	39
Gas Infrastructure Investments	Spending Regulated Gas Infrastructure (€/mln)	-7%=1,250 +7%=1,438	-5%=1,276 +5%=1,411	-3%=1,303 +3%=1,384	1,364	7	10	13	13
	Milestone achievement of main projects (activities carried out)	2 out of 4	3 out of 4	4 out of 4	4 out of 4	4	5	7	7
Energy Security Projects - Regasification Capacity Building	FSRU Piombino and FSRU Ravenna: works ready for commissioning	1	2	3	3	14	20	26	26
Non-regulated businesses Milestone Achievement & Final Recertification Snam Rete Gas	Energy Efficiency (Gross Margin €/mln)	98	123	148	142.5	4	5	7	5
	Biomethane: Production in millions of Scm of Biomethane	12.3	13.4	14.5	12.1	4	5	7	0
	Final recertification of Snam Rete Gas by Arera		ON/OFF		Maximum	4	5	7	7
	IPFG	0.8	0.55	0.4	0.47	7	10	13	12
Sustainability	Sustainable Finance (€/mln)	1,800	2,150	2,500	4,351	4	5	7	7
	Sustainable Supply Chain - ESG criteria in tenders% of amount awarded through ESG criteria in scoring models	25%	30%	40%	35%	4	5	7	6
Total weighted score						70	100	130	120

<sup>(\*)</sup> The Adjusted EBITDA objective was remodelled in accordance with the Sterilisation Rules (p. 54) by EUR -35.8 million.

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

The results achieved by Snam in 2023, approved by the Board of Directors on the proposal of the Appointments and Compensation Committee at its meeting of 13 March 2024, led to an overall performance score of 120 on the measurement scale used, which provides for a minimum, target and maximum level of 70, 100 and 130 points respectively.

The score achieved led to the recognition of an incentive for the Chief Executive Officer of €755,274, which will be paid during 2024 and which corresponds to 84% of the annual fixed remuneration, taking into account the incentive levels assigned: minimum (60%), target (70%) and maximum (91%).

For Managers with Strategic Responsibilities, the variable incentive to be paid was calculated as the weighted sum of 25% of the score linked to Snam's business performance and 75% of the score achieved on individual targets (on economic/financial, operating and industrial performance, internal efficiency and sustainability topics), assigned in connection with the scope of responsibilities of the role held.

The score achieved by the Managers with Strategic Responsibilities determined a total incentive equal to €500,900 and an average incidence, compared to fixed remuneration, of 51%<sup>19</sup>.

## Long-term share-based incentive plan<sup>20</sup>

### LTI 2021-2023

The Board of Directors of 13 March 2024, upon proposal of the Appointments and Compensation Committee, resolved the final accounting of the incentive connected to the second cycle of the 2020-2022 LTI, which will in any case reach maturity only at the end of the vesting period, and therefore starting from 1 July 2024 in the manner described in the Information Document and in the Plan Regulation. It should be noted that the Chief Executive Officer in office until 27.04.2022, Marco Alverà, will receive 121,672 shares, calculated pro-rata temporis on the basis of the percentage of achievement of the objectives for the three-year period, equal to 132%, corresponding to 62% of the fixed annual remuneration<sup>21</sup>, taking into account the minimum (106%), target (158%) and maximum (210%) incentive levels assigned.

For Managers with Strategic Responsibilities, a number of shares amounting to 114,514 were determined, the economic equivalent value of which represents an average incidence on fixed remuneration of 93%.

<sup>19</sup> Remuneration was represented by reference to the Managers with Strategic Responsibilities of Snam (3) at 31/12/2023.

<sup>20</sup> Data is rounded to the nearest unit (downwards in the case of zero to four digits and upwards in the case of five to nine digits) for the purposes of representative convention only. The Company has established precise approximation rules within its formal methodology for determining the allocation of the Chief Executive Officer's LTI 2020-2022 long-term equity incentive plan (2020-2022 cycle).

<sup>21</sup> The equivalent value was calculated using the Snam share price for the purposes of determining the instruments allocated, for the 2021-2023 cycle, equal to €4.938682. The estimate does not, therefore, consider the appreciation of the Snam share during the vesting period of the Plan. It is recalled that the plan also provides for a two-year lock-up on 20% of the shares assigned, gross of those necessary to fulfil tax requirements.

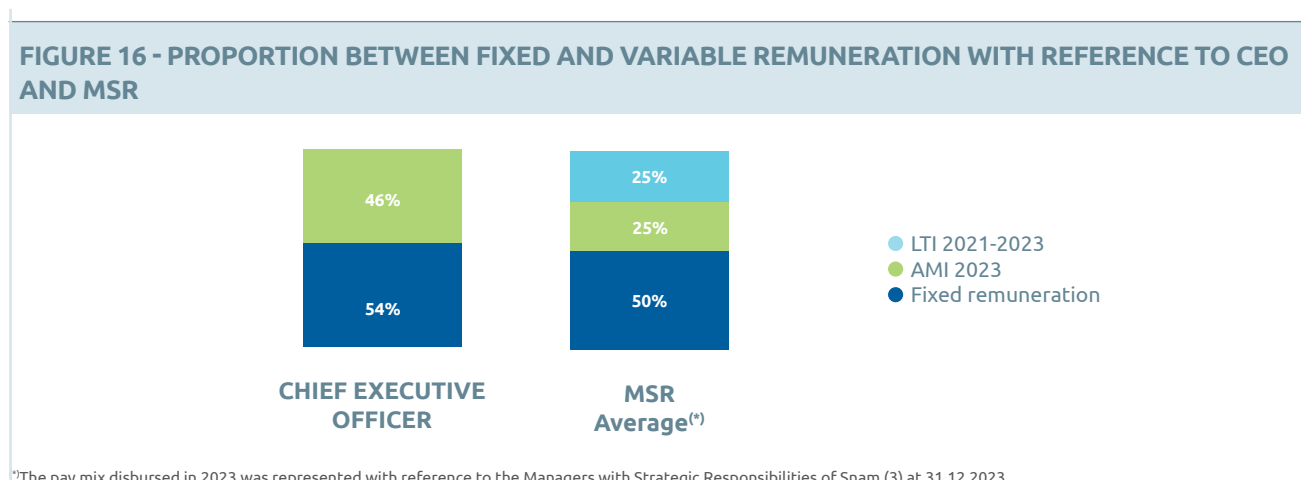
The following table shows, for each objective of the three-year period: the point values defined for the different performance levels, the actual value and the accrued multiplier:

FIGURE 15 - ACHIEVEMENT OF LTI TARGETS 2021-2023					
LTI 2021-2023 Target Scorecard	Minimum value	Target value	Maximum value	Actual value	Score achieved
Value Added 2023 compared to 2020 (€ Million) <sup>(*)</sup>	1,228	1,254	1,293	1,430	40
Three-year cumulative Adj Net Profit (2021-2023) (€/mln) <sup>(**)</sup>	3,341	3,375	3,459	3,547	67
Emissions (reduction 2023 compared to 2015 values) (Bln/Scm)	-34.0%	-36.0%	-38.0%	-56.7%	13
Diversity (% in 2023 of women in managerial and executive roles out of total executives and middle managers)	23.0%	25.0%	27.0%	26.0%	12
				Total score achieved	132

(\*) The Value Added target was remodelled in accordance with the Sterilisation Rules (p. 54). The total value of sterilisations has a negative impact on the final balance of the score and is worth €22.7 million, or 1.6% of Value Added 2021-2023. In addition to the sterilisation rules, further adjustments were applied in connection with the KPI calculation methodology, which, as defined in the Remuneration Policy Report, reflects the value generation of the regulated business. To this end, the Value Added target defined in 2020 was recalculated by excluding the effects of the Energy Transition business development (-€1,194.0 million), the impact of the convertible (+€381.0 million) and the impact of the investees (-€279.7 million).

(\*\*) Total sterilisations have a positive impact on the final score and are worth €149.5 million or 4.2% on the 2021-2023 final net profit, mainly related to a reduction in the adjusted WACC compared to what was planned in the years 2022 and 2023, partially offset by the change in the scope of consolidation related to the acquisition of new equity investments. The strategic plan for setting targets anticipated a consistent WACC of 5.7% (for the transportation sector) across the years 2021, 2022, and 2023. However, the WACC set by the Regulator was 5.7% for 2021, decreasing to 5.1% for 2022 and 2023 (for the transportation sector). The adjustment to account for this discrepancy amounted to approximately €269.4 million. Regarding changes in the consolidation perimeter, the adjustment totalled €107.9 million, which was associated with the acquisitions of De Nora, Sea Corridor, and EMG.

The following table shows the proportion between fixed and variable remuneration within the total remuneration paid to the beneficiaries of incentive schemes:



## Benefits

Table 1 shows the value of the benefits recognised in 2023, according to a taxable criterion; in particular, these values refer to the following benefits: i) annual contribution to the FOPDIRE/PREVINDAI supplementary pension fund, ii) annual contribution to the FISDE/PREVIGEN supplementary health care fund, iii) allocation of a car for mixed use (net of the contribution payable by the assignee).

## Derogations

There were no exceptional circumstances during 2023 such that the Board of Directors exercised its authority to waive the contents of the 2023 Policy.

## Claw-back mechanisms

During 2023, Snam did not resort to claw-back mechanisms.

## Information comparing the remuneration of the Board of Directors, the Group's results and the average remuneration of Snam employees

The tables and graphs below show, over a period of five years (2019, 2020, 2021, 2022, 2023):

- a comparison of the total remuneration of the members of the Board of Directors<sup>22</sup> who have held office during 2023;
- the company's economic performance, measured in terms of Adjusted net profit;
- the average remuneration of Snam's employees.

**FIGURE 17 - BOARD OF DIRECTORS COMPENSATION<sup>23</sup> 2019-2020-2021-2022-2023**

Directors (€)	Period in office	2023	Δ 2023 vs 2022	2022	Δ 2022 vs 2021	2021	Δ 2021 vs 2020	2020	Δ 2020 vs 2019	2019
Monica de Virgiliis <sup>(1)</sup>	-	310,000	0%	310,000	-	-	-	-	-	105,000
Stefano Venier <sup>(2)</sup>	-	1,655,274	-2%	1,690,760	-	-	-	-	-	-
Massimo Bergami <sup>(3)</sup>	-	110,000	29%	85,000	-	-	-	-	-	-
Laura Cavatorta <sup>(3)</sup>	-	120,000	1%	119,000	3%	115,000	0%	115,000	0%	115,000
Augusta Iannini <sup>(3)</sup>	-	95,000	46%	65,000	-	-	-	-	-	-
Piero Manzoni <sup>(3)</sup>	-	105,000	46%	72,000	-	-	-	-	-	-
Rita Rolli <sup>(3)</sup>	-	115,000	1%	114,000	4%	110,000	0%	110,000	0%	110,000
Quinjing Shen <sup>(3)</sup>	-	90,000	15%	78,000	-	-	-	-	-	-
Alessandro Tonetti <sup>(3)</sup>	-	90,000	-6%	96,000	-13%	110,000	0%	110,000	0%	110,000

<sup>(1)</sup> The amount indicated in 2019 represents the annualisation of the amount paid, for the office of Director (2016-2018 term of office), for the period from 1 January to 2 April 2019, not followed by the renewal of the office (there is therefore no remuneration for the years 2020 and 2021). The amount indicated in 2022 represents the annualisation of the amount paid to the Chair of the Board of Directors for the period from 27 April to 31 December 2022 (€211,479).

<sup>(2)</sup> With reference to the fixed remuneration for 2022, the amount indicated represents the annualisation of the amount paid for the period from 27 April to 31 December 2022. With reference to short-term variable remuneration, the Annual Monetary Incentive (AMI) for 2022 has been indicated, in accordance with the new provisions of the Issuers' Regulations.

<sup>(3)</sup> Where applicable, the 2019 amount represents the annualisation of the amount paid as a Director for the period from 2 April to 31 December 2019 and for any remuneration for participation in the Board Committees for the period from 14 May to 31 December 2019. The 2022 amount represents the annualisation of the amount paid as a Director for the period from 27 April to 31 December 2022 and for any remuneration for participation in the Board Committees.

22 The remuneration of the members of the Board of Statutory Auditors did not change during the five-year period indicated.

23 The remuneration shown in this table is shown on an accruals basis and not on a cash basis, in accordance with Annex 3A - Scheme 7bis to the Issuers' Regulations, introduced by Consob Resolution no. 18049 of 23 December 2011, subsequently amended by Consob Resolution no. 21623 of 10 December 2020.

**FIGURE 18 - ADJUSTED NET PROFIT 2019-2020-2021-2022-2023**

Company performance (€ million)	2023	Δ 2023 vs 2022	2022	Δ 2022 vs 2021	2021	Δ 2021 vs 2020	2020	Δ 2020 vs 2019	2019
Adjusted net profit	1,168	0.4%	1,163	-5%	1,218	5%	1,164	6%	1,093

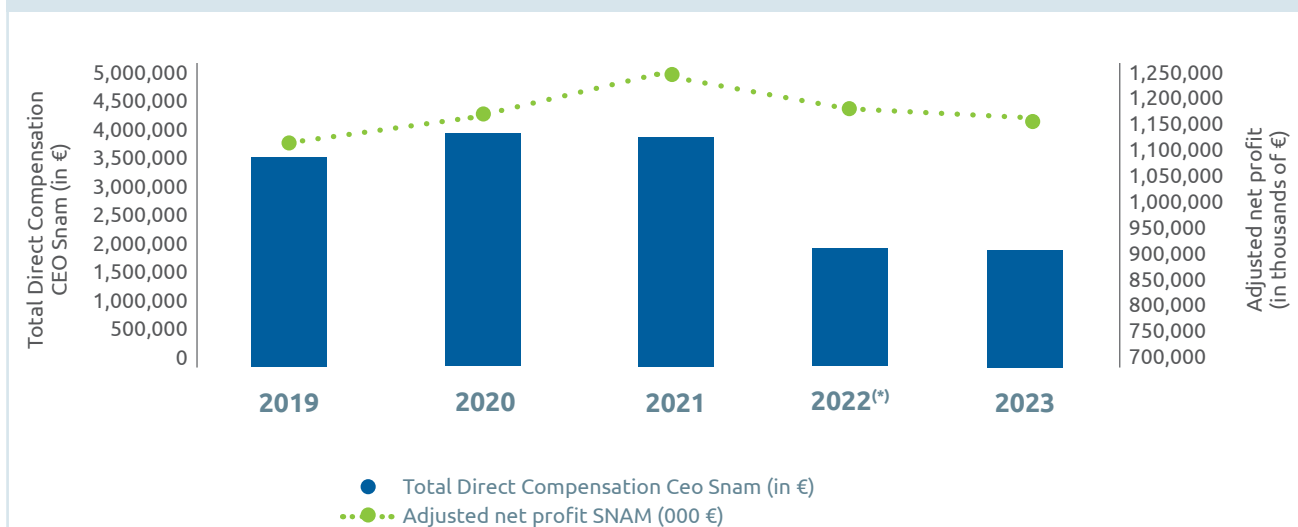
**FIGURE 19 - REMUNERATION OF SNAM EMPLOYEES 2019-2020-2021-2022-2023**

Remuneration (€)	2023	Δ 2023 vs 2022	2022	Δ 2022 vs 2021	2021	Δ 2021 vs 2020	2020	Δ 2020 vs 2019	2019
Average employees <sup>(*)</sup>	53,369	-1%	54,028	2%	52,802	-3%	54,511	4%	52,166

(\*) (\*) The remuneration data used to calculate the average remuneration of Snam employees is based on a company perimeter that includes the following companies for 2023: Snam Spa, Snam Rete Gas, GNL Italia, Gasrule, Stogit, Greenture, TEP, Bioenerys Srl, Bioenerys Agri Srl, Bioenerys Ambiente Srl, Cubogas, Snam International, Enura, Renerwaste Lodi, Renerwaste Cupello Srl, Ecoprogetto Milano Srl, Ecoprogetto Tortona Srl, Enersi, Biowaste CH4Renovit, Renovit Public Solutions, Evolve, Bietifin Srl and Snam FSRU Italia for a total of 3,797 FTEs. With reference to the year 2022, the following companies: Snam Spa, Snam Rete Gas, Gnl Italia, Gasrule, Stogit, Snam4Mobility, TEP, IES Biogas, Cubogas, Snam International, Enura, Renerwaste Srl, Renerwaste Lodi, Renerwaste Cupello srl, Ecoprogetto Milano srl, Ecoprogetto Tortona srl, Enersi, Snam4Environment, Biowaste CH4, Iniziative Biometano, Renovit, Miecì and Evolve for a total of 3,609 FTEs. With reference to the year 2021, the remuneration data considered include the companies Snam Spa, Snam Rete Gas, GNL Italia, Gasrule, Stogit, Snam4Mobility, TEP, IES Biogas, Cubogas, Snam International, Enura, Renerwaste, Snam4Environment, Renovit, Miecì and Evolve for a total of 3,429 Ftes. With reference to the years 2020 and 2019, the remuneration data considered refer to the companies Snam Spa, Snam Rete Gas, Gnl Italia, Stogit, Cubogas, Snam4Mobility, TEP, TEA Servizi, IES Biogas, Snam Gas & Energy Services, Enura, Gasrule, Snam International, Snam4Environment, Renerwaste, for a total of 3,099 FTEs for the year 2020 and 3,025 FTEs for the year 2019. The average remuneration reported for Snam employees was defined as follows:

- fixed remuneration figures for each year refer to the expected Gross Annual Salary (Ral) for each employee;
- all part-time workers' salaries considered were re-proportioned as if they were employed full-time (at 100%);
- with reference to short-term variable remuneration, the variable remuneration for each year has been indicated for each year, consistent with that represented for the Chief Executive Officer;
- the following remuneration elements were considered in the computation of short-term variable remuneration: the One-Time Remuneration Policy for the non-executive population disbursed at the time of the annual remuneration policy campaigns, (ii) the Annual Monetary Incentive for Executives (AMI), (iii) the Participation Bonus under the Energy and Oil collective agreement for the non-executive population;
- with reference to long-term variable remuneration, for the purposes of representation, the incentives actually implemented were considered in line with those considered for the CEO. For the year 2023, the economic value of the second cycle of the LTI 2020-2022 equity incentive plan (covering performance from 2021 to 2023) was taken into account. For 2022, the focus was on the economic value of the first cycle of the LTI 2020-2022 equity incentive plan (performance period 2020-2022). In 2021, the economic value of the third cycle of the LTI 2017-2019 equity incentive plan (performance from 2019 to 2021) was considered. For 2020, attention was given to the economic value of the second cycle of the LTI 2017-2019 equity incentive plan (performance from 2018 to 2020). Lastly, for the year 2019, both the first cycle of the LTI 2017-2019 equity incentive plan (performance from 2017 to 2019) and the payouts from the 2017-2019 and 2017-2019 medium- to long-term monetary incentive plans were taken into account. The values relating to the LTI 2017-2019 equity incentive plan were allocated on the basis of the achievement of the objectives of each cycle, not considering the appreciation of the Snam share during the vesting periods, but rather the fair value of each plan (equal to €3.8548 for the LTI 2017-2019, 3.5463 € for the LTI 2018-2020, 4.3522 € for the LTI 2019-2021, 4.441 € for the LTI 2020-2022 for MSRs and Leadership Teams, 4.5590 € for the LTI 2020-2022 for other beneficiaries, 4.778 € for the LTI 2021-2023 for MSRs and Leadership Teams and 5.014 € for the LTI 2021-2023 for the other beneficiaries). It should be noted that each cycle of the LTI 2017-2019 and 2020-2022 equity incentive plan provides for a two-year lock-up on 20% of the shares granted, gross of those required to settle tax expenses;
- the total sum of short-term variable remuneration was apportioned based on the anticipated number of full-time equivalent employees (FTE), without considering the actual number of individuals who received these components of remuneration.

**FIGURE 20 - COMPARISON OF CEO TOTAL COMPENSATION AND COMPANY PERFORMANCE IN TERMS OF ADJUSTED NET PROFIT 2019-2020-2021-2022-2023**



(\*) (\*) For 2022 we report the Total Direct Compensation of the Chief Executive Officer in office since 27.04.2022, Stefano Venier, consisting of the fixed remuneration and the Annual Monetary Incentive (AMI 2022). The Chief Executive Officer in office since 27.04.2022 was granted on 01.07.2022 the third cycle 2022-2024 of the long-term equity incentive (LTI) 2020-2022 whose rights will vest in 2025.

# Fees Paid In The Financial Year 2023

## Table 1 – Remuneration paid to Directors, Auditors and Managers with Strategic Responsibilities

The table below indicates the remuneration paid individually to Directors and Auditors, and collectively to Managers with Strategic Responsibilities<sup>24</sup>.

It provides an indication of the remuneration paid by Snam to other companies; there is no indication of additional remuneration received by subsidiaries and/or associates as they are fully paid back to the Company. Persons who have held these positions, even for a portion of the year, are included.

In particular:

- the **“Fixed remuneration”** column shows, according to the positions concerned, the fixed remuneration and salaries for employment payable in 2023, before social security contributions and taxes;
- reimbursements of lump sum expenses and attendance fees are excluded, since these are not provided for. Details of the remuneration, with a separate disclosure of any indemnities or payments relating to the employment relationship, are provided in a note;
- The column titled **“Remuneration for Participation in Committees”** displays the remuneration accrued and owed to the Directors for their involvement in the Committees set up by the Board. Separate information about remuneration for each committee of which the director is a member is provided in a note;
- in the **“Variable non-equity remuneration”** column, the **“Bonuses and other incentives”** entry shows the incentives for 2023 following assessment and approval of the performance results by the competent company bodies, as specified in greater detail in the table “Monetary Incentive Plans for Directors and Managers with Strategic Responsibilities”;
- the **“Non-monetary Benefits”** column shows, in accordance with competence and taxation criteria, the value of the fringe benefits awarded;
- the **“Total”** column gives the totals for the above items;
- the columns **“Variable non-equity remuneration/ Profit sharing”**, **“Other remuneration”** and **“Fair Value of equity compensation”** give the equivalent value of the shares attributed for participating in the Long-Term Share-Based Incentive Plan pertaining to 2023, as specified, with more details, in the Table “Share-based incentive plans, other than stock options, in favour of Directors and Managers with Strategic Responsibilities”;
- the column **“Severance indemnity”** indicates the indemnities accrued for resignations occurring during the year or when the mandate and/or contract expire.

<sup>24</sup> There are no grounds for disclosure on an individual basis pursuant to the legislation in force.

**TABLE 1 – REMUNERATION PAID TO DIRECTORS, AUDITORS AND MANAGERS WITH STRATEGIC RESPONSIBILITIES**

(amounts in thousands of Euro)

Name and Surname	Notes	Office held	Period for which the office was held	Expiry of office	Fixed remuneration	Variable non-equity remuneration					Total	Fair value of equity compensation	Severance indemnity
						Remuneration for participation in Committees	Bonuses and other incentives	Profit-sharing	Non-monetary benefits	Other remuneration			
<b>Board of Directors</b>													
de Virgiliis Monica	(1)	Chair	01.01 - 31.12	04.25	310(a)						310		
Venier Stefano	(2)	Chief Executive Officer	01.01 - 31.12	04.25	900 (a)		755 (b)		13		1,668	611 (c)	
Bergami Massimo	(3)	Director	01.01 - 31.12	04.25	70 (a)	40 (b)					110		
Cavatorta Laura	(4)	Director	01.01 - 31.12	04.25	70 (a)	50 (b)					120		
Iannini Augusta	(5)	Director	01.01 - 31.12	04.25	70 (a)	25 (b)					95		
Manzoni Piero	(6)	Director	01.01 - 31.12	04.25	70 (a)	35 (b)					105		
Rolli Rita	(7)	Director	01.01 - 31.12	04.25	70 (a)	45 (b)					115		
Shen Quinjing	(8)	Director	01.01 - 31.12	04.25	70 (a)	20 (b)					90		
Tonetti Alessandro	(9)	Director	01.01 - 31.12	04.25	70 (a)	20 (b)					90		
<b>Board of Statutory Auditors</b>													
Gnocchi Stefano	(10)	Chair	01.01 - 31.12	04.25	80 (a)						80		
Gandini Ines	(11)	Standing Auditor	01.01 - 31.12	04.25	60 (a)						60		
Chinellato Gianfranco	(12)	Standing Auditor	01.01 - 31.12	04.25	60 (a)						60		
Managers with Strategic Responsibilities	(13)				978 (a)		501 (b)		39		1,518	709	
<b>Overall total</b>					2,878	235	1,256		52		4,421	1,320	

**(1) de Virgiliis Monica - Chair of the Board of Directors**

- (a) for the period from 1 January to 31 December 2023, the amount of €310,000, as annual fixed remuneration.

**(2) Venier Stefano - Chief Executive Officer/General Manager**

- (a) for the period from 1 January to 31 December 2023, the amount of €900,000, as fixed remuneration.
- (b) Annual Monetary Incentive (AMI) referable to performance in the year 2023 to be paid in 2024. In this regard, it should be noted that, applying the cash principle, the annual monetary incentive (AMI) paid during 2024, referring to the performance of the year 2023, amounted to €755,274.12.
- (c) the fair value of equity compensation includes the fair value of the LTI 2020-2022 cycle 2022-2024 plan and the LTI 2023-2025 cycle 2023-2025 plan. See Table 3A for details of the fair value of individual plans.

**(3) Bergami Massimo - Director**

- (a) for the period from 1 January 2023 to 31 December 2023, the amount of €70,000 as annual fixed remuneration established by the Shareholders' Meeting on 27 April 2022.
- (b) for the period from 1 January 2023 to 31 December 2023, fixed annual remuneration for participation, as a member, in the Appointments and Compensation Committee (€20,000) and, as a member, in the Environmental, Social & Governance and Energy Transition Scenarios Committee (€20,000).

**(4) Cavatorta Laura - Director**

- (a) for the period from 1 January to 31 December 2023, the amount of €70,000 as annual fixed remuneration established by the Shareholders' Meeting on 27 April 2022.
- (b) for the period from 1 January to 31 December 2023, as annual fixed remuneration for participation, as Chair, in the Environmental, Social & Governance and Energy Transition Scenarios Committee (€25,000) and, as a member, in the Control, Risk and Related Parties Transactions Committee (€25,000).

**(5) Iannini Augusta - Director**

- (a) for the period from 1 January to 31 December 2023, the amount of €70,000 as annual fixed remuneration established by the Shareholders' Meeting on 27 April 2022.
- (b) for the period from 1 January to 31 December 2023, as annual fixed remuneration for participation, as member, of the Control, Risk and Related Parties Transactions Committee (€25,000).

**(6) Manzoni Piero - Director**

- (a) for the period from 1 January to 31 December 2023, the amount of €70,000 as annual fixed remuneration established by the Shareholders' Meeting on 27 April 2022.
- (b) for the period from 1 January to 31 December 2023, as annual fixed remuneration for participation, as Chair, in the Control, Risk and Related Parties Transactions Committee (€35,000).

**(7) Rolli Rita - Director**

- (a) for the period from 1 January to 31 December 2023, the amount of €70,000 as annual fixed remuneration established by the Shareholders' Meeting on 27 April 2022.
- (b) for the period from 1 January to 31 December 2023, as annual fixed remuneration for participation, as Chair, in the Appointments and Compensation Committee (€25,000) and, as a member, in the Environmental, Social & Governance and Energy Transition Scenarios Committee (€20,000).



**(8) Shen Quinjing - Director**

- (a) for the period from 1 January to 31 December 2023, the amount of €70,000 as annual fixed remuneration established by the Shareholders' Meeting on 27 April 2022.
- (b) for the period from 1 January to 31 December 2023, annual fixed remuneration for participation, as a member, in the Environmental, Social & Governance and Energy Transition Scenarios Committee (€20,000).

**(9) Tonetti Alessandro - Director**

- (a) for the period from 1 January to 31 December 2023, the amount of €70,000 as annual fixed remuneration established by the Shareholders' Meeting on 27 April 2022.
- (b) for the period from 1 January to 31 December 2023, as annual fixed remuneration for participation, as a member, in the Appointments and Compensation Committee (€20,000).

**(10) Gnocchi Stefano - Board of Statutory Auditors**

- (a) for the period from 1 January to 31 December 2023, the amount of €80,000 as annual fixed remuneration established by the Meeting on 27 April 2022 for participation, as Chair, in the Board of Statutory Auditors.

**(11) Gandini Ines - Board of Statutory Auditors**

- (a) for the period from 1 January to 31 December 2023, the amount of €60,000, as annual fixed remuneration established by the Shareholders' Meeting on 27 April 2022 for participation, as Standing Auditor, in the Board of Statutory Auditors.

**(12) Chinellato Gianfranco - Board of Statutory Auditors**

- (a) for the period from 1 January to 31 December 2023, the amount of €60,000, as annual fixed remuneration established by the Shareholders' Meeting on 27 April 2022 for participation, as Standing Auditor, in the Board of Statutory Auditors.

**(13) Managers with Strategic Responsibilities**

- (a) The amount refers to the three owners who, in 2023, were Managers with Strategic Responsibilities at Snam. Added to this amount are the indemnities payable in respect of travel expenses, both nationally and abroad, in line with the relative CCNL for Executives and the Company's supplementary agreements, totalling €9,971.
- (b) Annual Monetary Incentive (AMI) referable to performance in the year 2023 to be paid in 2024.



### Table 2 - Stock options assigned to Directors and Managers with Strategic Responsibilities

The last plan was granted in 2008 and in 2014 the relevant terms expired for the purchase rights, so since there is no data to report, there is no Table 2.

### Table 3a - Incentive plans based on financial instruments, other than stock options, in favour of Directors and Managers with Strategic Responsibilities

The table below indicates the long-term variable incentives provided for the Chief Executive Officer and, at an aggregate level, for Managers with Strategic Responsibilities.

In particular:

- the column “number and type of financial instruments” gives the number of free shares attributed for each plan indicated;
- the column “fair value at assignment date” gives the fair value in Euro of the shares attributed;
- the column “vesting period” shows the length of the vesting period for the long-term incentives attributed during the year;
- the column “financial instruments for the financial year” gives the fair value for the year relating to existing long-term incentive plans, estimated according to international accounting standards which assign the relevant cost in the vesting period.

The total of the column “financial instruments for the financial year” coincides with that shown in Table 1.

**TABLE 3A - INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS, OTHER THAN STOCK OPTIONS, IN FAVOUR OF DIRECTORS AND MANAGERS WITH STRATEGIC RESPONSIBILITIES**

Name Surname Office	Plan	Financial instruments allocated in previous years not vested during the year		Financial instruments assigned during the year					Financial instruments vested during the year and not attributed	Financial instruments vested during the year and attributable	Financial instruments for the year	
		Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at date of allocation (euro)	Vesting period	Date of allocation	Market price at allocation (euro)	Number and type of financial instruments	Number and type of financial instruments	Value at maturity date	Fair value (euro)
Marco Alverà - CEO	Long-Term Incentive Plan 2020-2022 BoD 12/10/2020	462,108	1 July 2020 - 30 June 2023	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	285,901	4.7478	216,155
Marco Alverà - CEO	Long-Term Incentive Plan 2021-2023 BoD 29/07/2021	412,458	1 July 2021 - 30 June 2024	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	209,366
Stefano Venier - Chief Executive Officer	Long-Term Incentive Plan 2022-2024 BoD 27/07/2022	368,151	1 July 2022 - 30 June 2025	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	300,657
Stefano Venier - Chief Executive Officer	Long-Term Incentive Plan 2023-2025 BoD 27/07/2023	n.a.	1 July 2023 - 30 June 2026	387,438	1,859,702	3-year	01/07/2023	4.818 (a)	n.a.	n.a.	n.a.	309,950
Managers with Strategic Responsibilities	Long-Term Incentive Plan 2020-2022 BoD 12/10/2020	256,122	1 July 2020 - 30 June 2023	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	208,396	4.7478	157,558
Managers with Strategic Responsibilities	Long-Term Incentive Plan 2021-2023 BoD 29/07/2021	231,640	1 July 2021 - 30 June 2024	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	245,894
Managers with Strategic Responsibilities	Long-Term Incentive Plan 2022-2024 BoD 27/07/2022	n.a.	1 July 2022 - 30 June 2025	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	153,981
Managers with Strategic Responsibilities	Long-Term Incentive Plan 2023-2025 BoD 29/07/2023	n.a.	1 July 2023 - 30 June 2026	203,969	907,458	3-year	01/07/23	4.818 (a)	n.a.	n.a.	n.a.	151,243

(a) The market price on the grant date of the plan is €4.818. Since 1 July 2023 is a day when the EXM market is closed, the market price from the first trading day following that date, which is 3 July 2023, has been used by convention. The fair value used to determine the total value of the plan was calculated with respect to the Snam share price on the date of delivery of the letters of assignment and is equal to €4.8 for the CEO and €4.449 for Managers with Strategic Responsibilities.

### Table 3b - Monetary incentive plans for Directors and Managers with Strategic Responsibilities

The table below indicates the short- and long-term variable monetary incentives provided for the Chief Executive Officer and, at an aggregate level, for Managers with Strategic Responsibilities.

In particular:

- the column “**Yearly bonus - payable/paid**” gives the Annual Monetary Incentives paid in the year on the basis of the finalised report of performance carried out by the relevant company bodies compared with the objectives set for 2023;
- In the column “**Bonuses from Previous Years - No Longer Disbursable**”, no data is reported because the conditions for non-disbursement or partial disbursement of the bonus, as outlined in the Plan Regulations, have not been met.
- the column “**Bonuses from previous years - payable/ paid**” contains no data, since there are no long-term variable monetary incentive plans in place;
- the column “**Bonuses from previous years - further deferred**” contains no data, since there are no long-term variable monetary incentive plans in place;
- the column “**Other bonuses**” contains no values, since no other bonuses were paid.

The Total of the columns “**Yearly bonus - payable/ paid**” and “**Bonuses from previous years - payable/paid**” coincides with the amount indicated in the “Bonuses and other incentives” column in Table 1.

**TABLE 3B - MONETARY INCENTIVE PLANS FOR DIRECTORS AND MANAGERS WITH STRATEGIC RESPONSIBILITIES**

First name, Surname and Position	Plan	Bonus of the year			Bonuses from previous years			
		Payable/ paid	Deferred	Period of deferment	No longer disbursable	Disbursable/ disbursed	Further deferred	Other bonuses
Stefano Venier Chief Executive Officer	Annual Monetary Incentive Plan 2023	755,274						
Total		755,274						
Other Managers with Strategic Responsibilities	Annual Monetary Incentive Plan 2023	500,900						
Total		500,900						
<b>TOTAL</b>		<b>1,256,174</b>						

## Equity investments held

The table below sets out, pursuant to Article 84-quater, paragraph four of the Consob Issuers' Regulation, the shareholdings in Snam held, directly or through subsidiaries, trust companies or intermediaries, by Directors, Auditors and Managers with Strategic Responsibilities as well as their spouses (not legally separated) and minor children. This information is taken from the register of shareholders, as resulting from the shareholders' register, communications received and other information acquired from the same parties.

Persons who have held these positions, even for a portion of the year only, are included. The number of shares (all "ordinary") is specified for each Director and Auditor individually, and collectively for Managers with Strategic Responsibilities. The persons indicated hold and own the shares.

### TABLE 4A - SHAREHOLDINGS HELD BY DIRECTORS AND STATUTORY AUDITORS

Name and Surname	Office held	Investee company	Number of shares held at 31 December 2022	Number of shares held in 2023	Number of shares sold in 2023	Number of shares held as at 31 December 2023
Stefano Venier	Chief Executive Officer and General Manager	Snam	0	0	0	0

### TABLE 4B - SHAREHOLDINGS HELD BY MANAGERS WITH STRATEGIC RESPONSIBILITIES

	Investee company	Number of shares held at 31 December 2022	Number of shares held in 2023	Number of shares sold in 2023	Number of shares held as at 31 December 2023
Snam Managers with Strategic Responsibilities <sup>(*)</sup>	Snam	138,454	144,217 <sup>(**)</sup>	98,270 <sup>(***)</sup>	184,401

<sup>(\*)</sup> The composition of Managers with Strategic Responsibilities did not change in 2023. There are 3 Managers with Strategic Responsibilities.

<sup>(\*\*)</sup> On 28 July 2023, Snam ordinary shares were allocated to 2 Managers with Strategic Responsibilities upon the completion of the Vesting Period outlined in the 2020-2022 Long-Term Share Incentive Plan, which was approved at the Shareholders' Meeting on 6 July 2020. The shares were assigned to 2 Managers with Strategic Responsibilities, with the incumbent Chief Financial Officer having taken up their position in January 2023.

<sup>(\*\*\*)</sup> 35,968 shares were sold on 12 May 2023 by a Manager with Strategic Responsibilities, and 62,302 shares were sold on 28 July 2023 by two Managers with Strategic Responsibilities to meet the tax obligations associated with the assignment of shares.

# Sterilisation Rules For Short-Term Incentive Plans (AMI) And Long-Term Incentive Plans (LTI)

Details of the individual sterilisation objects and their definition are presented below:

STERILISATIONS	DEFINITION
M&A transactions <sup>(1)</sup>	Variation given by the contribution deriving from the management of the company subject to the M&A operation originated by a change in the perimeter and/or the percentage of interest compared to the approved Budget and MuLTI-year Plans. Costs for the study and structuring of M&A transactions are also sterilised (e.g. legal and tax consultancy, advisory costs, financial expenses for consequent higher indebtedness, etc.)
Measures of the Authorities / Regulations	Regulatory and legislative changes (Italian and foreign) with impact on Income Statement/Balance Sheet/Investments/RAB/Cash Flow
Net allocations (uses) to provisions for risks and charges	Balance between provisions and uses of provisions for risks and charges
Charges for leaving incentives	Charges for employee redundancy incentives
Capital gains / losses and write-downs Fixed assets	Capital gains/losses and write-downs of fixed assets arising from sales/ disposals of assets due to operational and/or regulatory requirements
Inventory write-downs and bad debts	Write-down of inventories and write-downs of receivables
Other exogenous and non-recurring factors and extraordinary/unforeseeable phenomena	Effects on the Income Statement/Balance Sheet/Investments/RAB/Cash Flow due to exogenous/external events not related to the ordinary course of business and not foreseeable in the Budget and in the approved multi-year Plans
GNC <sup>(2)</sup>	Effect on Income Statement/Balance Sheet/Cash Flow due to the result of the network balance equation, which represents the non-determinable energy due to measurement uncertainties, the value of which has an unsystematic trend
Deflator / Inflation	Effects on Income Statement/Balance Sheet/Investments/RAB/Cash Flow due to changes in deflator and inflation parameters compared to approved Budget and Multi-year Plans
Granting of authorisations/permits for construction or operation	Effects on the Income Statement/Balance Sheet/Investments/RAB/Cash Flow due to the non/delayed granting of permits and authorisations.
Current assets	Variation in balancing activities, penalties and over/under-billing, variation in advance payments of taxes, UFG and energy charges compared to Budget and approved multi-year plans
Non-recurring financial expenses	Non-recurring financial expenses on debt refinancing operations

<sup>(1)</sup> For long-term equity incentive plans, the performance of New Businesses is calculated considering and not sterilising the results deriving from extraordinary M&A transactions (equity investments, assets and/or business units).

<sup>(2)</sup> For long-term equity incentive plans, changes in all energy charges are sterilised.

# Glossary

1. **Accident frequency index:** according to UNI 7249, it is included among the indicators for measuring safety at work. The provision in question specifies that this index is determined by the number of accidents occurring per million hours worked within a specified period and/or area, as well as at the company level.
2. **Adjusted net profit:** obtained by excluding special items from reported net income. Income components are classified as special items, if significant, when: (i) they result from non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of business; (ii) they result from events or transactions which are not representative of the normal course of business.
3. **Appointments and Compensation Committee:** comprises three non-executive directors, most of whom are independent in accordance with the Consolidated Finance Act and the Corporate Governance Code, including the Chairperson. The Committee primarily carries out investigative, recommendatory, and advisory roles in relation to the Board of Directors concerning its composition and size, as well as ensuring equal treatment and opportunities across genders. It also carries out investigative, recommendatory, and consultative roles concerning remuneration matters for the Board of Directors. The Committee supports the Board of Directors in formulating the Remuneration Policy and regularly evaluates its sufficiency, coherence, and practical implementation. Additionally, the Committee contributes to reporting on the company's performance.
4. **Benefits:** elements included in the non-monetary component of remuneration, aimed at increasing the well-being of employees and their families in economic and social terms. This category encompasses all provisions designed to address social security and welfare requirements, such as supplementary pensions, healthcare, and insurance coverage. It also includes the so-called perquisites, which are goods and services that Snam provides for its employees.
5. **Consolidated Law on Finance (TUF):** the "Consolidated Law on Financial Intermediation" refers to Legislative Decree No. 58, dated 24 February 1998, as subsequently amended. The TUF introduced legislation on financial matters, known as "principle-based", which establishes only the broad outlines at the level of primary legislation, leaving the determination of detailed rules to regulatory authorities (e.g., CONSOB).
6. **Control and Risk and Related-Party Transactions Committee:** the committee is composed of three non-executive directors, each of whom is independent in accordance with the TUF (Consolidated Law on Finance) and the Corporate Governance Code. It possesses both propositional and advisory roles, assisting the Board of Directors by providing support for decisions related to the internal control and risk management system, as well as for the endorsement of periodic financial and non-financial reports.
7. **Corporate Governance Code:** approved by the Corporate Governance Committee on 31 January 2020 and effective from 1 January 2021, this document supersedes the Corporate Governance Code for Listed Companies previously issued by Borsa Italiana S.p.A. Reflecting the experiences of major international markets, it outlines the Committee's recommended best practices in corporate governance for listed companies. These are to be adopted in accordance with the "comply or explain" principle, which mandates that companies must provide an explanation if they do not adhere to any of the recommendations set out in the principles or application criteria.
8. **Director's severance indemnity:** the sum of money to be paid to the director upon the termination of their directorship.
9. **Employee severance indemnity:** the monetary sum to be paid to the employee upon the termination of their executive employment contract.
10. **Environmental, Social & Governance and Energy Transition Scenarios Committee:** comprised of

four non-executive directors, most of whom are independent in accordance with the Consolidated Law on Finance (TUF) and the Corporate Governance Code, including the Chair. The Committee carries out investigative, propositional, and advisory roles in relation to the Board of Directors concerning sustainability and long-term energy transition scenarios. Its purpose, among other objectives, is to facilitate the continuous integration of national and international best practices into Snam's corporate governance, as well as the incorporation of environmental, social, and governance factors into corporate strategies that are designed to achieve sustainable success. The Committee name was changed to "Sustainability and Energy Transition Scenarios Committee" by resolution of the Board of Directors on 13 March 2024.

**11. EBITDA (Earnings before interest, tax, depreciation and amortisation):**

also known as "gross operating margin", it is an indicator of profitability that reveals the company's earnings solely from its core business activities, that is, before accounting for interest (financial management), taxes (tax management), asset depreciation, and amortisation.

**12. Executive Directors:** the directors vested with special offices by the Board of Directors.

**13. Fair value of equity compensation:** International Financial Reporting Standard no. 2 (IFRS 2) defines fair value as "The amount for which an asset could be exchanged, or a liability settled, or an equity instrument granted, in an arm's length transaction between knowledgeable, willing parties."

**14. Fixed remuneration:** the phrase includes all fixed annual remuneration before taxes and social security contributions for which the employee is responsible. It does not encompass annual bonuses, additional bonuses, allowances, fringe benefits, expense reimbursements, or any other form of variable or occasional payment.

**15. Injury severity index:** according to UNI 7249, it is included among the indicators for measuring safety at work. The aforementioned regulation stipulates that this index is calculated by taking the ratio of days absent from work to the number of hours worked, expressed in per thousand.

**16. Independent directors:** Snam Directors meeting the independence requirements set out in the Corporate Governance Code, to which Snam adheres.

**17. Issuers' Regulation:** CONSOB Regulation No. 11971 of 14 May 1999 (as amended) containing the rules on issuers of financial instruments.

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

**19. Long-term variable incentives:** Reference is made to the *Long-Term Equity Plan - LTI*, which entitles participants to receive a predefined number of shares according to the results achieved at the end of the vesting period (see "vesting").

**20. Managers with Strategic Responsibilities:**

The individuals who possess the authority and responsibility, both directly and indirectly, for the planning, management, and oversight of the company's operations, including the directors (whether executive or non-executive) as specified in Article 65, paragraph 1-quater, of the Issuers' Regulation, are referenced in the definition provided in the Appendix to Consob Regulation No. 17221 of 12 March 2010. This regulation establishes rules concerning transactions with related parties and was most recently updated by Consob Resolution No. 21624 on 10 December 2020. Within Snam, as of the date of approval of this report, there are 8 such individuals, who are listed herein.

**21. Non-competition agreements:** under Article 2125 of the Civil Code, it refers to "the agreement by which the employee's activities are restricted for a period following the termination of the contract".

**22. Non-Executive Directors:** The directors who have not been assigned specific roles by the Board of Directors and who do not possess individual management authority.

**23. Pay mix:** the percentage of fixed and variable short-term and long-term incentive remuneration paid.

**24. Performance Plan:** the percentage of fixed remuneration and short-term and long-term variable incentives paid.

**25. Proxy advisor:** companies used by institutional investors that issues specific recommendations based on Shareholders' Meeting documents and their own voting policies, which can have a significant influence on the voting on the Remuneration Report.

**26. Related Party Transactions:** the guideline titled "Transactions with Interests of Directors and Statutory Auditors and Transactions with Related Parties" has been adopted in accordance with, and to serve the objectives of, Article 2391-bis of the Italian Civil Code. Additionally, the "Regulation Containing Provisions on Transactions with Related Parties" was established by Consob through Resolution No. 17221 on 12 March 2010 and later amended by Resolution No. 17389 on 23 June 2010.



This regulation sets out the principles and rules that Snam and its direct or indirect subsidiaries must follow. The aim is to ensure transparency and uphold both substantive and procedural fairness in dealings with related parties and individuals associated with the interests of Snam's directors and statutory auditors. These measures are also designed to mitigate the risk of depleting the company's assets through transactions conducted by Snam and its subsidiaries.

**27. Remuneration policy:** The set of remuneration programmes, comprising both fixed and variable pay, is implemented at the company level to support the achievement of strategic objectives.

**28. Salary review:** the process of reviewing the fixed annual remuneration for all eligible management personnel.

**29. Short-term variable incentives:** the passage refers to the *Annual Monetary Incentive Plan (AMI)*, which grants participants the right to receive an annual cash bonus. This bonus is contingent upon the results achieved in the previous year in relation to the set objectives.

**30. Stock option:** financial instrument whereby a company grants the beneficiaries the right to purchase shares in that company or another company belonging to the same group at a predetermined price (strike price).

**31. Sustainability indices:** these are stock market indices that comprise internationally listed companies, selected for their outstanding performance in sustainability and Corporate Social Responsibility.

**32. Target level:** in the short-term incentive, it is the standard level of achievement of the target that entitles the recipient to 100% of the incentive.

**33. Threshold level:** Represents the minimum threshold that must be met; falling below this level means that the plan does not allow for any incentive payments.

**34. Variable remuneration:** includes the variable short-term incentive and the long-term incentive (refer to the relevant definitions in this glossary for further details).

**35. Vesting (vesting period):** period running between the allocation and completion of the ownership of the right to receive the reward.



# Analytical Index by Theme

## (CONSOB Resolution No. 21623, SECTION I)

Consob Resolution	Information required	Reference
a)	the bodies or persons involved in the preparation, approval and possible revision of the remuneration policy, specifying their respective roles, as well as the bodies or persons responsible for the correct implementation of this policy;	page 22-24
b)	the possible involvement of a remuneration committee or other committee competent in the subject matter, describing its composition (with a distinction between non-executive and independent directors), responsibilities and operating procedures, and any additional measures to avoid or manage conflicts of interest;	page 22-25
c)	how the company took into account the remuneration and working conditions of its employees when determining its remuneration policy;	page 26
d)	the names of any independent experts involved in the preparation of the Remuneration Policy;	page 34-35
e)	the objectives pursued by the remuneration policy, the principles on which it is based, the duration and, in the event of a review, a description of the changes to the remuneration policy last submitted to the shareholders' meeting and how such review takes into account the votes and assessments expressed by shareholders at that meeting or subsequently;	page 17-18; 26
f)	a description of the policies regarding the fixed and variable components of remuneration, with particular regard to the indication of the relative proportion within the total remuneration and distinguishing between short and medium-long-term variable components;	page 27-31; 35
g)	the policy followed regarding non-monetary benefits;	page 32
h)	with reference to the variable components, a description of the financial and non-financial performance objectives, where appropriate taking into account criteria relating to corporate social responsibility, on the basis of which they are assigned, distinguishing between short and medium to long-term variable components, and information on the link between the change in results and the change in remuneration;	page 19-21; 28-31
i)	the criteria used to assess the achievement of the performance objectives underlying the granting of shares, options, other financial instruments or other variable components of remuneration, specifying the extent of the variable component to be paid according to the level of achievement of the objectives;	page 28-31
j)	information aimed at highlighting the contribution of the remuneration policy, and in particular the policy on variable components of remuneration, to the company's strategy, the pursuit of long-term interests and the sustainability of the company;	page 19-21; 28-31

Consob Resolution	Information required	Reference
k)	vesting periods, deferred payment systems, if any, with an indication of the deferral periods and the criteria used to determine those periods and, if envisaged, the mechanisms for ex-post correction of the variable component (malus or claw-back of variable remuneration);	page 30-31; 33
l)	information on whether there is any provision for retaining the financial instruments in the portfolio after their acquisition, with an indication of the retention periods and the criteria used to determine those periods;	page 30
m)	<p>the policy relating to treatment in the event of termination of office or termination of employment, specifying:</p> <ul style="list-style-type: none"> <li>i) the duration of any employment contracts and further agreements, the notice period, if applicable, and what circumstances give rise to the right; and;</li> <li>ii) the criteria for determining the remuneration due to directors, general managers and, at an aggregate level, to Managers with Strategic Responsibilities, distinguishing, where applicable, the components attributed by virtue of the office of director from those relating to employment relationships, as well as the components for any non-competition undertakings. Where such remuneration is expressed on the basis of the year, indicate in detail the components of such year calculation (fixed, variable, etc.);</li> <li>iii) any link between such remuneration and the company's performance;</li> <li>iv) any effects of the termination of the relationship on the rights assigned under incentive plans based on financial instruments or to be paid in cash;</li> <li>v) any provision for assigning or retaining non-monetary benefits in favour of the parties or for entering into consultancy contracts for a period subsequent to the termination of the relationship;</li> </ul>	page 32
n)	information on the presence of any insurance, or social security or pension coverage, other than mandatory coverage;	page 27-28; 32
o)	any remuneration policy followed with reference to: (i) independent directors, (ii) participation in Committees and (iii) performance of special duties (Chair, Deputy Chair, etc.);	page 27-28
p)	whether or not the Remuneration Policy has been defined using the remuneration policies of other companies as a reference, and if so the criteria used for the selection and indication of such companies;	page 27-28; 34-35
q)	the elements of the remuneration policy from which, in the presence of exceptional circumstances, it is possible to make exceptions and, without prejudice to the provisions of Regulation no. 17221 of 12 March 2010, any further procedural conditions under which the exception may be applied;	page 33
r)	with reference to the members of the control bodies, without prejudice to the provisions of Article 2402 of the Italian Civil Code, the section describes any criteria for determining remuneration. If the outgoing control body, in view of the formulation by the shareholders of proposals to the shareholders' meeting regarding the remuneration of the control body, has provided the company with detailed information on the quantification of the commitment required to carry out the appointment, the section contains a summary of such information.	page 27





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**May 2024**



Energy to Inspire the World