

## **Guidelines of the Board of Directors of Snam to Shareholders on the future optimal size and composition of the Board of Directors**

### *Purpose and process followed*

In accordance with the Code of Corporate Governance's recommendations, in view of the renewal of the corporate bodies, which would occur at the shareholders' meeting on 14 May 2025, the Board of Directors of Snam, has carried out, after consulting the Appointments and Compensation Committee, considerations on the future size and composition of the Board of Directors to be submitted to shareholders.

The aforementioned considerations - that take into account the outcomes of the annual self-evaluation process of the Administrative Body and its committees, carried out with help from the Sustainability and Energy Transition Scenarios Committee - are the result of the analyses carried out by the corporate bodies, according to the following procedure:

- support from Spencer Stuart, the advisor appointed to assist the annual self-evaluation process, which in addition to receiving and improving input from outgoing Directors, considered the key elements of internal governance, significant Recommendations and Regulations, benchmarked the composition and size of the Board of Directors of the main listed companies in Italy comparable to Snam;
- the proposed Guidelines subject to the Board of Directors by the Appointments and Compensation Committee;
- the approval of the Orientations by the Board of Directors in office, at the meeting on 12 February 2025;
- the dissemination of this document to the market, earlier than the legal deadlines, to allow shareholders to make their considerations in view of the appointment of the new Board of Directors of Snam for the three-year period 2025-2027.

For the sake of completeness and for the benefit of Shareholders, the guidelines of the Board of Directors on the maximum number of offices for Board members approved by the Board itself at the meeting of 17 February 2022 are also reported in this document.

### *Preliminary considerations*

In the first place, the Board suggested ensuring, in compliance with corporate governance restrictions and rules, that a substantially similar composition of the administrative body be maintained to enhance Snam's wealth of knowledge, acquired by the Directors, necessary to continue and support the current development phase of a structured and complex group in a period marked by high tension between the need to guarantee the security of supplies and the need to enable the energy transition in Italy and Europe.

With regards to the future composition of the Board of Directors, it is deemed necessary to ensure appropriate visibility for Snam's cornerstone criteria, such as gender diversity, age, seniority, professional and managerial experience of complementary nature.

In consideration of the Group's exposure and relevance of the energy market, also internationally, suitable consideration was also given to including Directors with an international vocation and/or experience. International experience does not necessarily mean having citizenship in a country other than Italy, but rather significant professional experience carried out abroad and/or in important roles within companies with high international exposure.

### *Size of the Board of Directors*

The Board of Directors, aware of the size and organisational complexity of Snam and the positive operating dynamics which emerged over the last three years, positively assessed the current size of the Board of Directors comprising nine Directors, the maximum provided for by the Bylaws in force and deemed adequate to allow for an effective capacity to work as a board, as well as an adequate composition of the Board Committees set up.

Having taken into consideration the governance and characteristics of the activities carried out by Snam, it also deemed adequate the ongoing relationship between Executive Directors, Non-Independent Executive Directors and Independent Non-Executive Directors.

### Composition of the Board of Directors

The future composition must take into account the current and prospective needs of the company, as well as the need to maintain adequate diversity of gender, tenure and seniority, in compliance with applicable legal and regulatory provisions.

Snam believes that all-round diversity is a value that contributes positively to the effectiveness of actions taken by the company bodies. Therefore, in the composition of the administration, management and control bodies, Snam pursues an objective of integrating different profiles.

The Shareholders are therefore invited, in the preparation of the slates of candidates for the office of Director, to ensure compliance with the requirements under Art. 13 of the Company Bylaws, including those in relation to gender diversity, that reserve at least 2/5 of the positions for the less represented gender, as well as to take into account the benefits that may come from the presence of different age ranges and lengths of service in the Board of Directors.

The current guiding opinion includes, among others, characteristics of professionalism and independence of candidates, taking into account that their authority and competence must be proportionate to the duties that Directors are appointed to carry out, also in light of the size and complexity of the company, its business objectives and its strategic role for the country and Europe.

With regard to all the Directors, it is hoped that they will have previous experience acquired in international contexts that can enrich the Board with wide-ranging approaches and perspectives.

For the profiles of particular relevance, the Board of Directors of Snam indicates the main characteristics of representatives appointed to carry out the role of:

#### Chairman of the Board of Directors:

- a guarantee for all Shareholders and be able to promote collegial work and cohesion between the members of the Board of Directors;
- in addition to the necessary sector experience, it is desirable that he/she has adequate knowledge in the field of corporate governance applicable to a company listed in Italy and has already carried out such role in another company of similar size and importance to Snam;
- must understand the non-executive nature of the role (and adhere to that) and ensure complementarity with the role of the Chief Executive Officer, in order to be able to build a team of top managers that is cohesive and efficient, and compliant with their respective roles.

#### Chief Executive Officer:

- manager with experience at head of company level, with leadership and recognised management skills and strategic vision;
- consolidated managerial experience in complex industrial enterprises and significant and successful managerial experience in similar executive roles in the top management of companies of similar dimensions, structure and complexity as Snam;
- in-depth knowledge and experience in the energy and infrastructures business, also with

specific reference to matters relating to energy transition, climate change and technological innovation;

- ideally possesses in-depth experience and knowledge of the economy and finance sector and the operational control of large, complex businesses;
- interpersonal skills and credibility and ability to facilitate exchanges between institutions both in Italian and in international contexts.

The Board of Directors suggested that as concerns the other Directors:

- should all be Non-Executive;
- at least 5 should fulfil the independence requirements set out by the Law and the Corporate Governance Code, in order to effectively make up the Board Committees;
- should have the ability to carry out in-depth analyses and establish a dialectic relationship with management;
- should be able to express their opinion with independent judgement and independence of substance;
- within the context of the respective experiences, the following skills should have been demonstrated:
  - ✓ ability to work in teams and with management;
  - ✓ well-balanced in seeking consensus;
  - ✓ awareness of their roles;
  - ✓ capable of managing conflicts constructively;
  - ✓ appetite for continuous learning (learning mindset);
  - ✓ vision and aptitude for long-term thinking;
- guarantee the complementary nature of diverse skills as a means to promote a good level of debate and appropriate board discussion.

With reference to this final point, the matrix skill suggested requires that candidates for the role of Director have, preferably, one or more of the following distinctive skills and professional characteristics:

- high seniority management experience preferably acquired in top positions such as CEO, General Management, Business Departments with P&L management, in companies characterised by strategic development, transformations, extraordinary transactions and global scope;
- energy business experience acquired in business and/or leading institutions in the sector;
- proven skills in the financial, budgetary and risk management fields, with particular experience in extraordinary transactions and business development plans for external lines; such expertise may be acquired in top management roles, in control roles (i.e., audit, risk) and/or through significant activity carried out at consulting firms, professional firms or in academic or institutional settings with a focus on economic, accounting and financial matters; similarly, experience as the Chairman of internal board committees responsible for control and risks for at least three years is relevant;
- expertise in sustainability, understood to include all environmental, economic and social aspects with primary focus on social responsibility and climate change; such expertise may be acquired in senior management roles in charge of sustainability issues and/or through significant activity within consulting companies, professional firms or in academic or institutional settings with a focus on the relevant subjects; similarly, experience as the Chairman of internal board committees responsible for sustainability matters for at least three years is relevant;

- proven juridical-legal knowledge, with particular regard to the governance of internal regulations and contracts, as well as at international level; such experience may be acquired in senior management roles such as legal and corporate affairs or compliance departments in companies of significant size and complexity and/or through significant activities carried out within consulting firms, professional firms or in academic or institutional settings with a focus on legal matters;
- proven experience governing listed companies, acquired over years of appointment in the relevant corporate bodies in order to be able to enrich Snam's Board with specific skills.

It is also desirable to ensure, among the candidates possessing the above-mentioned skills, the representation of experience in regulated sectors, technological innovation and digitisation with a particular focus on artificial intelligence and cybersecurity.

It is important that the final composition of the Board of Directors collectively ensures a balance of the distinctive knowledge, skills and experience outlined above in order to ensure adequate oversight of the issues and provide a valuable contribution to the debate and decision-making processes within the Board.

For all the components of the Board, including the Chairman and Chief Executive Officer, authority, professional standing and strong communication skills are important.

#### Time availability

All candidates for the office of director, when accepting their candidacy, must have carefully considered and assured the shareholders proposing them on this matter the time they would need to dedicate to the full and diligent performance of their duties and responsibilities, considering both the number and quality of the positions they hold on administrative bodies and/or boards of statutory auditors of other companies authorised in accordance with the "Guidelines of the Board of Directors on the maximum number of offices" reported hereunder, and the commitment demanded of them by their other professional activities.

It should be noted, merely for information purposes, that, in 2024, 11 meetings of the Board of Directors, 13 meetings of the Control, Risk and Related Party Transactions Committee, 12 meetings of both the Appointments and Compensation Committee and of the Sustainability and Energy Transition Scenarios Committee were held.

#### Guidelines of the Board of Directors on the maximum number of offices for Board members

Most recently at its meeting of 15 March 2023, the Board of Directors of Snam, upon the proposal of the Appointments Committee, confirmed the guidelines on the maximum number of offices for Board members approved on 17 February 2022.

Executive and non-executive Directors:

- (i) an Executive Director should not hold:
  - a. the office of executive director at another Italian or foreign listed company, or at a company having a net equity or a consolidated annual turnover in excess of EUR 500 million or equivalent amount in the case of a company adopting a different currency;
  - b. the office of non-executive director or statutory auditor (or member of another controlling body) at more than three companies referred to sub (i) lett. a). Furthermore, a CEO may not hold the office of director of another issuer not belonging to the same group of which another director of the Company is the CEO;
- (ii) a Non-Executive Director (who may also be independent), should not hold the following, in addition to the office held within the Company:
  - a. the office of executive director at more than one Italian or foreign listed companies, or a company having a net equity or a consolidated annual turnover in excess of 500 million

- euros or equivalent amount in the case of a company adopting a different currency, and the office of non-executive director or statutory auditor (or member of another control body) at more than three companies specified above; or
- b. the office of non-executive director or statutory auditor (or member of another controlling body) at more than four companies referred to sub (ii) lett. a).

Offices held within Snam or in Snam subsidiaries, or in Snam Committees, shall not be included in the calculation of the maximum number of offices.

The Board, in assessing each subjective position, to be carried out in the interests of the company, may take into consideration the concrete circumstances and professional commitments (not limited to the holding of offices) of the individual Director, both to permit an exception to the limits of offices if need be, and to provide for any reduction of the maximum number of offices that can be held. The Board of Directors shall, to the extent necessary, invite the Director to adopt the consequent decisions.

The individual Directors shall ensure an average attendance at Board meetings of no less than 80% of the meetings held during the financial year, unless they have justified reasons.

#### Significance criteria in relation to the independence assessment

In line with the provisions of the Corporate Governance Code, the Board of Directors of 27 April 2022 confirmed the significance criteria defined on 14 December 2021 for the purpose of assessing the independence of Directors.

Any commercial, financial or professional relationships entered into<sup>1</sup> or any additional remuneration received<sup>2</sup> which, in at least one of the three financial years prior to taking office, individually or cumulatively for each financial year, exceeded 100% of the average remuneration received respectively by the Non-Executive Directors and Statutory Auditors for the office held and any participation in Committees during the final year of their previous mandate (so-called “Benchmark”), are deemed significant.

In order for the Shareholders to carry out their task carefully, the “Benchmark” as calculated by the Corporate Secretary’s Office for the individual appointments is indicated below:

- Chairman of the Board of Directors and close relatives: 310,000 euros;
- Directors and close family: 98,000 euros;
- Chairman of the Board of Statutory Auditors and close family: 80,000 euros;
- Standing Auditors and close family: 60,000 euros.

After taking office - and, therefore, during their mandate - Directors and Statutory Auditors should not maintain any of the relations and should not receive any of the remuneration in addition indicated above. With reference to close family of Directors and Statutory Auditors, the “Benchmark” will apply both for the three fiscal years prior to taking office and the period of mandate.

<sup>1</sup> Corporate Governance Code, Recommendation 7(c), first sentence: “if he or she has, or had in the previous three financial years, a significant commercial, financial or professional relationship, directly or indirectly (for example through subsidiaries, or through companies of which he or she is an executive director, or as a partner of a professional or a consulting firm): (i) with the company or its subsidiaries, or with their executive directors or top management; (ii) with a subject who, also together with others through a shareholders’ agreement, controls the company; or, if the control is held by a company or another entity, with its executive directors or top management.”

<sup>2</sup> Corporate Governance Code, Recommendation 7(d), first sentence: if he or she receives, or received in the previous three financial years, from the company, one of its subsidiaries or the parent company, significant remuneration other than the fixed remuneration for the position held within the board and for the membership in the committees recommended by the Code or required by law.”

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Finally, it should be recalled that, pursuant to Recommendation No. 23 of the Corporate Governance Code, Shareholders submitting a slate with a number of candidates higher than half the number of members to be elected are required to provide, in the documentation submitted for the filing of the slate, adequate information on the compliance of the slate with the administrative body guidelines, including with the board diversity criteria set forth in the Corporate Governance Code. The slate should also indicate the candidate for the chairmanship of the administrative body, who is appointed in accordance with the company Bylaws.