



**GUIDELINES OF THE BOARD OF DIRECTORS OF ITALGAS S.P.A. TO  
SHAREHOLDERS ON THE FUTURE SIZE AND COMPOSITION OF THE NEW  
BOARD OF DIRECTORS**

**Approved by the Board of Directors on 12 February 2025**

Via Carlo Bo, 11 - 20143 Milan

**Italgas S.p.A.**

Registered Office in Milan - no. of shares: 811,753,913 Share capital: 1,004,478,347.72 euros, fully paid-up  
Milan Business Register - Tax Code and VAT number 09540420966 - R.E.A. Milan no. 2097057  
Company belonging to the "Italgas VAT Group" VAT No. 10538260968

## **Guidance of the Board of Directors of Italgas S.p.A. to the Shareholders on the future dimension and composition of the new Board of Directors**

Pursuant to the Recommendations of the New Corporate Governance Code drafted by the Corporate Governance Committee of Borsa Italiana (the “**Corporate Governance Code**”), which Italgas S.p.A. (the “**Company**” or “**Italgas**” or the “**Issuer**”) adheres to, the Board of Directors of the Company, based on the experience gained over the last three years and taking into account the results of the self-assessment on the functioning of the Board itself and its Committees, and having consulted with the Appointments and Compensation Committee, set out its guidance on the future size and composition of the Board of Directors, in view of the renewal of the corporate bodies scheduled for the Shareholders’ Meeting to be called to approve the financial statements for the year 2024.

### **Introduction**

The Company Bylaws of Italgas (the “**Bylaws**”)<sup>1</sup> state that the Company shall be managed by a Board of Directors composed of nine members appointed by the Shareholders’ Meeting, which shall establish its term of office for a period not exceeding three financial years. The Board of Directors is appointed by the Shareholders’ Meeting in compliance with the regulations in force at the time on gender balance, on the basis of slates submitted by the shareholders.

Only shareholders who alone or together with other shareholders represent at least 1% of the share capital are entitled to submit slates<sup>2</sup>.

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<sup>1</sup> The full text of Italgas’ Bylaws can be found at the following address <https://www.italgas.it/en/investitori/governance/governance-italgas/>

<sup>2</sup> Pursuant to Article 13 of the Bylaws “*Slates may only be presented by Shareholders who, alone or together with other Shareholders, represent at least 2% or are together the owners of such other stake in the capital as Consob may set in its regulations.*” Consob - through its Managerial Resolution of the Manager of the Corporate Governance Division no. 123 of 28 January 2025 - decided, pursuant to Article 147-ter, paragraph 1 and



Pursuant to the Bylaws, at least three directors must meet the independence requirements established by Legislative Decree No. 58/1998, as subsequently amended and supplemented (Consolidated Law on Finance, “CLF”) (i.e., pursuant to Article 147-ter, paragraph 4, of the CLF, the independence requirements established for statutory auditors of listed companies by Article 148, paragraph 3, of the CLF).

It should also be noted that, pursuant to Recommendation no. 5 of the Corporate Governance Code, in “large companies” other than those with “concentrated ownership”, such as Italgas<sup>3</sup>, the independent directors (within the meaning of both the CLF and the Corporate Governance Code, also taking into account the quantitative and qualitative criteria adopted from time to time by the Board of Directors, as referred to herein) shall make up at least half of the board of directors.

All directors of Italgas must meet the requirements of integrity laid down by current legislation (i.e., pursuant to Article 147-quinquies, paragraph 1, of the CLF, the requirements of integrity laid down for statutory auditors of companies with listed shares, see Article 2 of Decree No. 162/2000).

Moreover, the directors of Italgas cannot hold any office in the management or control body, nor can they hold any management functions at Eni S.p.A. or its subsidiaries, nor have any relations, direct or indirect, of a professional or financial nature with these companies, as also laid down by the Prime Ministerial Decree of 25 May 2012

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Article 148, paragraph 2 of the CLF and Article 144-septies, paragraph 1, of the Regulation adopted by Consob by resolution no. 11971 on 14 May 1999, as subsequently amended and supplemented (“**Issuers’ Regulation**”), that the minimum level of investment required for the presentation of slates of candidates for the election of Italgas management and control bodies was 1%.

<sup>3</sup> The Corporate Governance Code defines a “large company: a company whose capitalisation exceeded 1 billion euros on the last trading day of each of the three preceding calendar years” and a “concentrated ownership company: a company in which one or more shareholders participating in a shareholders’ agreement hold, directly or indirectly (through subsidiaries, trustees or intermediaries), the majority of the votes that can be cast at an ordinary shareholders’ meeting”. Italgas qualifies as a large non-concentrated ownership company.



concerning *“Criteria, terms and conditions for the adoption by Snam of the ownership unbundling model pursuant to Article 15 of Law no. 27 of 24 March 2012”*.

The rules on gender balance state that the less represented gender must obtain at least two-fifths of the elected members (Article 147-ter, paragraph 1-ter, of the CLF) and that, if the application of the gender distribution criterion does not result in a whole number of members of the administrative bodies belonging to the less represented gender, this number shall be rounded up to the nearest whole number (Article 144-undecies.1, paragraph 3, of the Issuers' Regulations). Therefore, at the Shareholders' Meeting for the renewal of the corporate bodies of Italgas, four Directors out of nine belonging to the least represented gender shall be elected. In order to ensure compliance with current legislation as regards gender representation, the Bylaws specify that slates with three or more candidates must include candidates of different genders.

Lastly, seven directors will be taken from the slate that has obtained the majority of votes cast by the shareholders, while the remaining two directors will be taken from the other slates that are not connected in any way, not even indirectly, with the shareholders who submitted or voted for the slate that obtained the highest number of votes.

### **Size of the Board of Directors**

According to corporate governance best practices, the number of members of the board of directors must be appropriate for the size and complexity of the Company, so as to effectively oversee the Company's operations, in particular in terms of guidance and management supervision.

The correct size of the board of directors is also determined on the basis of the structure of the Board Committees and their composition, in order to avoid an



excessive accumulation of offices for Directors and to ensure the adequate presence of independent directors. In light of this, the outgoing Board of Directors considers the following as appropriate:

- the current number of Directors (nine), as established in the Bylaws,
- the current ratio of Executive Directors (one) to Non-Executive Directors (eight).

Regarding the number of independent directors on the Board, the outgoing Board is composed of five independent directors, four of whom are independent directors pursuant to both the CLF and the Corporate Governance Code and one independent director pursuant to the CLF.

The outgoing Board, while confirming the effectiveness of the current balance of independent and non-independent components, hopes that at least half of the future Board will be composed of independent directors pursuant to both the CLF and the Corporate Governance Code, also taking into account the quantitative and qualitative criteria adopted from time to time by the Board of Directors (the '**Independent Directors**'). Such composition, in fact, would be fully in line with Recommendation No. 5 of the Corporate Governance Code - pursuant to which, since Italgas qualifies as a large non-concentrated-ownership company, at least half of the Board of Directors must be made up of Independent Directors - and would facilitate an appropriate and heterogeneous composition of the Committees, in compliance with the respective Regulations.

With reference to compliance with the independence requirements, it should be noted that on 24 February 2021, in order to comply with the Recommendations of the Corporate Governance Code, Italgas' Board of Directors, at the proposal of the Appointments and Compensation Committee, approved the quantitative and qualitative criteria for assessing the independence of the Directors and Statutory Auditors of Italgas pursuant to Recommendation no. 7, letters c) and d) and identified

the "close relatives" for the purposes of Recommendation no. 7, letter h) of the Corporate Governance Code<sup>4</sup> ("**Independence Criteria**"). Said criteria were last updated on 16 December 2024.

<sup>4</sup>In particular, the independence of a Board Director or Statutory Auditor of Italgas (the "**Representative**") is, or appears to be, compromised if - directly or indirectly - they have in the current financial year, or have had in the previous three financial years, a significant commercial, financial or professional relationship (the "**Significant Relationships**"):

- a) with Italgas or with its subsidiaries, or with the related executive directors or the top management of Italgas (the top management of Italgas meaning the executives who are not members of the administrative body and have the power and responsibility for the planning, management and control of the activities of Italgas and the group it heads);
- b) with a subject who, also together with others through a shareholders' agreement, controls Italgas; or, if the control is held by a company or another entity, with its executive directors or top management.

Italgas' Board of Directors determined that Significant Relationships are considered such if the total annual remuneration deriving from the Significant Relationships exceeds in the current financial year, or has exceeded in one of the previous three financial years, considered individually, the "**Reference Parameter**", namely the average total amount of the fixed annual remuneration received in the last financial year by a Non-Executive Director or Standing Auditor in the case of, respectively, Non-Executive Directors and Standing Auditors, or by the Chairperson of the Board of Directors or the Chairperson of the Board of Statutory Auditors in the case of, respectively, the Chairpersons of the two corporate bodies, for the office and for any participation in committees (or bodies) recommended by the Code or provided for by the regulations in force.

During their term of office, in order to qualify as independent, the Representatives must not have any Significant Relationship with Italgas or its subsidiaries, or with the relevant executive directors or top management.

If the Representative is also a partner in a professional or a consulting firm, the Board of Directors will also assess the significance of the professional relationships that may have an effect on his or her position and role within the professional or the consulting firm and in any event those pertaining to important transactions of Italgas and the Italgas Group, even regardless of the quantitative parameters described above.

With regard to independence and additional remuneration, the independence of the Italgas Representative is or appears to be compromised if he or she receives in the current financial year, or has received in the previous three financial years, from Italgas, one of its subsidiaries or the parent company of Italgas, significant remuneration other than the fixed remuneration for the position held and for membership in the committees (or bodies) recommended by the Code or required by law ("**Additional Remuneration**").

The Italgas' Board of Directors considers that Additional Remuneration is normally to be considered significant, if it is in the current financial year, or has been in one of the three previous financial years, individually considered, equal to or greater than 50% of the Reference Parameter.

During their term of office, in order to qualify as independent, the Representatives shall not receive any Additional Remuneration from Italgas or Italgas' subsidiaries.

In this regard, it should be noted that the Independence Criteria must also be taken into account for the candidate to qualify as an Independent Director.

### **Composition of the Board of Directors**

The outgoing Board of Directors, based on the experience gained in the current term of office, taking into account the activities carried out by the group headed by Italgas (the "**Group**" or the "**Italgas Group**") and the guidelines for its strategic development, deems it appropriate to also submit to the shareholders its own guidelines - in terms of knowledge, skills and experience of the Directors - which, in the Board's opinion, should characterise the optimal qualitative composition of the future Board of Directors.

In particular, a matrix of skills and experiences has been defined, differentiated by the degree of diffusion expected within the future board of directors, according to their importance and specific pertinence to the business carried out by the Italgas Group.

Extremely widespread knowledge, skills and experience (i.e. which it is hoped will be possessed by a number of candidates amounting to at least one-third of the members of the Board):

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Please note that in the 2024 financial year, the Reference Parameter, which must be taken into account for the purpose of assessing independence, was equal to: (i) Euro 85,714.29 for Non-Executive Director; (ii) Euro 45,000 for Standing Auditor; (iii) Euro 300,000 for Chairperson of the Board of Directors; (iv) Euro 70,000 for Chairperson of the Board of Statutory Auditors.

With regard to independence and the identification of close relatives, the independence of the Italgas Representative appears to be compromised even if a close relative of the Representative has had a Significant Relationship within the meaning of letter c) of Recommendation no. 7 of the Corporate Governance Code or has received significant Additional Remuneration within the meaning of letter d) of the same Recommendation no. 7 of the Corporate Governance Code. The Board of Directors of Italgas considers as close relatives, parents, adult children, non-legally separated spouses and co-habiting partners.



- Business and corporate organisation;
- Business judgement;
- Ability to read and interpret economic and financial management data and financial statements;
- Italgas Group business and the related scenarios and strategies of the segments in which the Group operates.

Widespread knowledge, skills and experience (i.e. which it is hoped will be possessed by a number of candidates amounting to at least one-fifth of the members of the Board):

- Information Technology, Digital, Cyber-Security and Artificial Intelligence;
- International experience;
- Innovation;
- Finance, extraordinary transactions, M&As;
- Strategic and market orientation;
- ESG/Social and environmental sustainability;
- Risk Management;
- Legal, corporate;
- Human Resources and Organisation.

The Board also points out the importance of representing the following profiles in particular within the administrative body:

- digital/artificial intelligence and cyber skills, given their relevance to the management of infrastructure networks;
- managerial experience in the Group's businesses;



- specific expertise in distribution in the gas and water sectors;
- knowledge of Corporate Governance issues.

In view of the renewal, the Board recommends that all the aforementioned skills be represented within the administrative body, both ensuring an effective balance between the value of continuity and the need for constant renewal of the Board itself, and achieving an adequate diversification and complementarity of professional profiles.

The issue of “soft skills” was also specifically considered by the current Directors, which led to the following attitudinal characteristics being attributed importance for the profile of Italgas Directors:

- ✓ *Results-oriented;*
- ✓ *Ability to integrate sustainability issues into the strategic and business vision;*
- ✓ *Independence of thought and integrity;*
- ✓ *Collaboration and influence;*
- ✓ *Balance in the search for consensus;*
- ✓ *Ability to interact with top management;*
- ✓ *Adequate availability of time and energy;*
- ✓ *Ability to manage conflicts constructively;*
- ✓ *Ability to work in a team.*

## **Diversity**

With regard to the diversity of corporate bodies, reference should be made to Italgas' "*Diversity of company bodies policy*", approved by the Issuer's Board of Directors on 24

January 2019, after obtaining the favourable opinion of the Appointments and Compensation Committee, and most recently updated by the Board of Directors by resolution dated 13 June 2023, after obtaining the favourable opinion of the Appointments and Compensation Committee and the review of the Sustainable Value Creation Committee ("**Policy**").<sup>5</sup>

The Policy describes, also pursuant to Article 123-bis, letter d-bis, of the CLF and the Corporate Governance Code, the diversity policies applied in relation to the composition of the administration, management and control bodies, as well as the relevant objectives and implementation methods.

Also taking into account the provisions of the aforementioned Policy, for the future Board, it is hoped that there will be distinctive diversification in terms of gender, age<sup>6</sup>, nationality, skills and history<sup>7</sup>, as well as managerial/business experience or in non-executive roles, preferably in listed companies or in any case in companies of a complexity comparable to Italgas<sup>8</sup>.

<sup>5</sup> The Policy can be consulted on the Company's website: <https://www.italgas.it/wp-content/uploads/sites/2/2023/06/ITH-STC-073-R02-Policy-Diversity-of-Corporate-Bodies.pdf>

<sup>6</sup> In this regard, see also Article 3.1 (v) of the Policy, which identifies, among the criteria for the optimal composition of the administrative body: *"where possible, taking into account the skills needed for the proper and diligent performance of their functions, members of the Board of Directors of different age groups and/or different levels of seniority, so that different perspectives are represented and there is an adequate balance between continuity and change."*

<sup>7</sup> In this regard, see also Article 3.1 (vi) of the Policy, which identifies, among the criteria for the optimal composition of the administrative body: *"where possible, taking into account the skills needed for proper and diligent performance of their functions, given also the Group's international operations, members on the Board of Directors should: - have international experience (such as training and/or professional experience abroad and/or positions in companies or bodies with high international exposure), and preferably sound knowledge of the English language; - have different ethnic and/or geographical backgrounds, also to promote interculturality."*

<sup>8</sup> In this regard, see also Article 3.1 (iv) of the Policy, which identifies, among the criteria for the optimal composition of the administrative body: *"balanced combination of managerial, professional, academic and/or institutional profiles within the administrative body, so that complementary skills are represented such as to ensure the correct and diligent performance of the functions assigned to it."*

*In particular, the following profiles should be present: - managerial profiles who have gained experience in positions of responsibility within companies and/or groups of significant size or complexity and/or that operate in sectors related to the Company's business, and/or that are internationally present or significant; - professional profiles who have worked within professional firms or consulting companies and, in any case, in legal, economic, accounting,*

Indeed, it is considered that diversity fosters discussion and new ideas within the Board, making it open to innovation and lateral thinking with a focus on different social and environmental needs, promoting critical thinking and avoiding the risk of groupthink.

Note that the least represented gender must obtain at least two-fifths of the elected members, rounded up to the nearest whole number. Therefore, as mentioned above, four out of nine Italgas Directors must belong to the least represented gender.

### **Commitment and time availability**

Adequate availability of time and energy to devote to the performance of the office, given the nature, quality and complexity of the same, is a fundamental requirement that all candidates for Director must ensure, also in relation to activities deriving from participation in the work of Board Committees, where they are members.

For the purposes of this assessment, the candidates for Director must take into account both the commitment required of them by their other professional and working activities, and the positions they hold in the administrative bodies and in the control bodies of other companies.

On this last aspect, please refer to: (i) Guidelines on the limits and prohibition of accumulation of offices as director or statutory auditor by Italgas' Directors in other "relevant companies" not belonging to the Italgas Group, most recently adopted by the Italgas' Board of Directors in resolution dated 16 December 2024, after obtaining

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*financial, technical-scientific or IT areas, or in areas relating to various sustainability issues (environment, including climate change, social and governance), which are also relevant to the Company's business and/or at international level; - academic and/or institutional profiles that have gained experience in the field of legal, economic, accounting, financial or technical-scientific areas that are also relevant to the Company's business and/or at international level."*

the favourable opinion of the Appointments and Compensation Committee, in compliance with the provisions of the Corporate Governance Code<sup>9</sup>; and (ii) the Policy, pursuant to which all the members of the Board of Directors, should dedicate adequate time to the performance of their duties in the Company, ensuring the highest possible attendance, and in any case, at least 80% attendance at the Board and Committee meetings of which they are members.

In order to facilitate the evaluation by the candidates for Director of the adequate availability of time, the number of meetings held in 2024 and the average number for the three-year period 2022-2024 are shown for information purposes only:

<sup>9</sup> In particular, the Board of Directors of Italgas on 16 December 2024 most recently confirmed, at the proposal of the Appointments and Compensation Committee, the following guidelines on the limits and prohibitions on the accumulation of offices as director or statutory auditor held by Directors in other "Relevant Companies" not belonging to the Italgas Group:

- (i) for non-executive directors the limit of 4 additional offices (weighting executive offices or appointments as non-executive chairperson as double);
- (ii) for the Chief Executive Officer and any additional executive directors:
  - no other appointment as an executive director;
  - a maximum of one other appointment as a non-executive director and/or statutory auditor (and/or member of another control body), with the possibility of an exception being made, for up to three appointments overall, with the favourable opinion of the Board of Directors;
- (iii) interlocking prohibition, for the Chief Executive Officer of Italgas, who cannot hold the office of a Board Director in another issuer company not belonging to the Italgas Group in which another Board Director of Italgas is the Chief Executive Officer;
- (iv) for the purposes of the limits on the accumulation of offices, to consider as "Relevant Companies" any Italian or foreign company which is:
  - an issuer company (in Italian or foreign regulated markets); or
  - a company operating in the insurance, banking or financial sectors (e.g., asset management company, SIM); or
  - a company with shareholders' equity over 1 billion euros,
 even one of the above conditions being sufficient for the company to be considered relevant.

	Meetings in 2024	Average meetings in the three-year period 2022-2024
<b>Board of Directors</b>	15	13.7
<b>Control, Risk and Related Party Transactions Committee</b>	9	11
<b>Appointments and Compensation Committee</b>	17	15.7
<b>Sustainable Value Creation Committee</b>	8	9

### **Relevant roles within the Board of Directors**

Given the importance of certain roles within the Board of Directors, the Italgas Directors also indicate the main specific characteristics of the persons called upon to hold such positions within the new Board, also in light of Italgas' strategy for the future.

### **Chairperson of the Board of Directors**

In addition to the characteristics relevant to all Directors, the Board considers that the Chairperson should have, in particular:

- authority and standing to represent all Shareholders with independence;
- specific knowledge of corporate governance issues;
- previous experience in leading Boards of Directors of listed companies and/or companies similar in size or complexity to Italgas;



- the ability to foster the integration of the different skills and experience of the Directors, working in synergy with the Chief Executive Officer.

In this regard, please refer to the provisions of the Policy<sup>10</sup>.

### **Chief Executive Officer**

In addition to the characteristics relevant to all Directors, the Board believes that the Chief Executive Officer should have:

- experience as CEO or in a top management position in listed companies and/or companies of a size and complexity comparable to those of Italgas;
- leadership and entrepreneurial skills;
- high credibility and authority;
- intellectual independence and integrity;
- sensitivity to sustainability issues.

Within this perimeter, the specific know-how of the business sectors similar to Italgas is considered a further qualifying element for the role of Chief Executive Officer.

Moreover, with reference to the relationship between the Chairperson and the Chief Executive Officer, the Board emphasises the need for a complementary relationship between the two figures, to ensure the effective functioning of the Board and, more generally, of the Company's governance.

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<sup>10</sup> In this regard, see also Article 3.1 (vii) of the Policy, which identifies, among the criteria for the optimal composition of the administrative body: *“the Chair should be selected from those individuals with authority, standing, experience and knowledge of corporate governance issues, so that he/she can foster internal discussions and pool different skills and experience (working in synergy with the CEO) and serve as the interlocutor of the control body and internal committees in line with the duties of organising the Board’s work and circulating information.”*

In this regard, please refer to the provisions of the Policy<sup>11</sup>.

### **Board Committees**

In general, the Board considers it appropriate to confirm the current structure and arrangement of the Board committees, including in terms of duties and size, as currently provided for, namely (i) the Control, Risk and Related Parties Transactions Committee, (ii) the Appointments and Compensation Committee and (iii) the Sustainable Value Creation Committee. In addition, the advisability of retaining the current practice of Directors participating in a maximum of two Committees is recommended, so that the same Committee members are able to dedicate sufficient time to the activities falling within the scope of the said Committees.

### **Recommendations to shareholders submitting a slate**

Finally, the Board invites:

- Shareholders who submit their own slates of candidates for the appointment of the board of directors to ensure that such slates are accompanied by all the information necessary to enable all shareholders to cast their votes in an informed manner, including an indication of the suitability of the candidates to qualify as independent;

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<sup>11</sup> In this regard, see also Article 3.1 (viii) of the Policy, which identifies, among the criteria for the optimal composition of the administrative body: *“the CEO should be selected from those individuals with leadership and entrepreneurial skills, a high, well-recognised level of credibility and authority, intellectual independence and integrity, and specific experience in managing companies that are comparable in terms of size and complexity to the Company and its Group, as well as adequate skills in the economic-financial field and sensitivity towards various sustainability issues (environmental, social and governance).”*



- Shareholders who submit a slate of candidates exceeding half the number of members to be elected (also in line with Recommendation no. 23 of the Corporate Governance Code) to:
  - (i) provide adequate information, in the documentation submitted for the filing of the slate, on whether the slate complies with the guidance expressed by the outgoing Board, also with reference to Italgas' "Policy for the diversity of corporate bodies" and the diversity criteria set forth in Principle VII and Recommendation 8;
  - (ii) indicate their candidate for the office of Chairperson of the Board of Directors, who shall be appointed in accordance with the procedures laid down in the bylaws.