

# REMUNERATION REPORT 2025

Energy infrastructure  
for a sustainable future



snam



**Snam** is a leading European operator in gas infrastructure, specialized in Transportation, with a network exceeding 40,000 km across Italy and abroad; in Storage, holding one-sixth of the European Union's entire storage capacity; and in Regasification, where today it ranks as the third largest European player, managing (or co-managing) an estimated annual capacity of 28 billion cubic metres, including the Ravenna LNG plant. Snam's long-term ambition is to develop and strengthen *energy infrastructure for a sustainable future*, positioning itself as a multi-molecule operator at both national and European levels. The company prioritizes transformative innovation and all-round sustainability as its key strategic levers, enhancing the role of gas as a transition vector. Snam is among the top listed Italian companies by market capitalisation and is committed to continuous growth in sustainable finance.

With 80 years of experience in building and managing infrastructure, Snam ensures security of supply and supports the energy transition through investments in green gas (biomethane and hydrogen), energy efficiency, and Carbon Capture and Storage (CCS) technology. The company also fosters new green spaces via a benefit corporation dedicated to urban reforestation projects.

Compared to 2022, Snam has already reduced direct greenhouse gas emissions by 28% and is setting the next targets of 40% in 2030 and 50% in 2032, in order to achieve carbon neutrality (100%) by 2040 and Net Zero for all emissions, including those of associated companies and suppliers, by 2050. These ambitious goals, outlined in the Group's Transition Plan, are complemented by Snam's commitment to protecting biodiversity and regenerating natural capital.

The company's culture focuses on sustainable growth, transparency, valuing new generations, talent and diversity, along with social promotion and development of local communities.

# REMUNERATION REPORT 2025



Approved by the Board of  
Directors of 19 March 2025.  
The Report is published in the "Governance" section  
of the Company's website  
([www.snam.it](http://www.snam.it))



# LETTER FROM THE CHAIRWOMAN OF THE APPOINTMENTS AND COMPENSATION COMMITTEE



Chairwoman  
Rita Rolli

Dear Shareholders,

I am pleased to present, on behalf of the Appointments and Compensation Committee and the Board of Directors, the Remuneration Report (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 2025 and the results of its application for 2024.

In 2024, the Shareholders’ Meeting confirmed a high level of approval for Snam’s Report, which received a broad consensus from Shareholders (97.3% for Section I and 97.8% for Section II), the highest level of approval recorded since 2021.

During the year, the Committee carried out activities on remuneration to define the Policy for 2025, in line with the development context of recent years. This policy aims to ensure the alignment of the interests of the company’s top management with those of shareholders and other stakeholders, promoting the achievement of the objectives of the new Strategic Plan 2025-2029. In this plan, Snam looks to the future, imagining its assets and investments that anticipate and adapt to the evolution of the energy mix, moving from natural gas to a Pan-European multimolecular structure.

This will increase the overall volumes transported through the Snam network, strengthening the Company’s role in the energy transition. In this

context, the Strategic Plan 2025-2029 focuses on two main areas:

- investments in infrastructure and gas along the entire midstream value chain;
- investments in energy transition businesses.

In this context of strategic evolution, Snam recognises the importance of constant dialogue with stakeholders, not only to ensure targeted and effective investments, but also to adopt best market practices in the areas of Governance, Sustainability and Compensation. Precisely with this in mind, over the last year the Company has intensified its engagement activities with Institutional Investors and Proxy Advisors, gathering valuable feedback and ideas for improvement.

As evidence of this work of listening and aligning with the expectations of Investors and Proxy Advisors, the 2025 Remuneration Policy confirms the elements already introduced in the 2024 Policy with particular reference to the Chief Executive Officer, such as the introduction of the Share Ownership Guidelines and the redefinition of the Peer Group, in order to reflect the business and strategic context in which Snam operates.

The proposals for 2025, as a continuation and completion of the path outlined, confirm the alignment with Investors and the strenght of Governance, also in terms of presiding over strategic principles and implementing market best practices. With great enthusiasm, we announce the launch of the Employee Shareownership Plan 2025-2027, one

of the main innovations of the 2025 Remuneration Policy. This plan represents a unique opportunity for all employees to actively share the company’s value creation, strengthening their sense of belonging and alignment with Snam’s objectives.

Through favourable conditions, particularly for desk and non-desk workers, we want to encourage stable share ownership, support spending power and promote a more inclusive financial culture. A concrete step to grow together, sharing the value creation.

In 2025, several new features were introduced, covering both structural and content aspects, accompanied by a significant effort to improve graphic and communicative exposition. Prominent among these is the inclusion of a People Strategy section, illustrating its principles and purpose in line with emerging best practices. During 2024, this approach led to the definition of the Leadership Team Succession Plan, the creation of the DE&I strategic roadmap and the activation of the People Digital Journey. These initiatives aim to create an inclusive and participative work environment, providing a differentiating and attractive experience, and ensuring the talent management across the organisation.

In view of the redefinition of the perimeter of Managers with Strategic Responsibilities, which grew to 8 in 2024, thus strengthening the supervision of strategy execution, we also submit to you the update of the Remuneration Policy for key roles, in order to ensure alignment with corporate objectives in a pay-



for-performance logic and, at the same time, support their competitiveness and attractiveness. In this direction, we have increased the weight of corporate KPIs in the MBO plan and outlined a competitive remuneration policy, at the same time introducing an upper limit to the Severance Policy and any Entry Bonuses.

With this document, the Company has maintained its commitment to maximum transparency, providing for evolutions in order to take into account the feedback received in the engagement process and to encourage the achievement of the guidelines outlined in the Strategic Plan, of which the remuneration policy is an integral part.

I trust that the efforts made during the year by the Committee, in collaboration with the management, in introducing some innovations in the remuneration policies can be once again understood and appreciated, receiving the necessary support for the proposed Policy for 2025.

I would like to take this opportunity to express my sincere appreciation on behalf of the Appointments and Compensation Committee for the commitment and professional qualities of all the people working at Snam.

I would like to conclude by thanking you, our shareholders, for your support at the Shareholders' Meetings over the past two years and for the valuable contributions that we have taken into account in determining our remuneration policies.

Finally, I would like to thank all the members of the Appointments and Compensation Committee,

the Chief Executive Officer and the entire Board of Directors, for their teamwork and active involvement in the execution of our mandate.

*The Chairwoman of the Appointments and  
Compensation Committee*

Prof. Rita Rolli





# TABLE OF CONTENTS GENERAL

page 9

## EXECUTIVE SUMMARY

page 25

## SECTION I REMUNERATION POLICY 2025

page 44

## REMUNERATION POLICY GUIDELINES 2025

page 47

## REMUNERATION OF THE CHIEF EXECUTIVE OFFICER

page 52

## REMUNERATION OF MANAGERS WITH STRATEGIC RESPONSIBILITIES

page 55

## SECTION II REMUNERATION REPORT 2024

page 70

## GLOSSARY





# INTRODUCTION

This “Remuneration Report”, hereinafter also the “Remuneration Report” or the “Report”, approved by the Board of Directors on proposal of the Appointments and Compensation Committee on 19 March 2025, in fulfilment of current legislative and regulatory<sup>1</sup> requirements, defines and illustrates:

- a new initial Executive Summary section, included to facilitate reading by Investors and Proxy Advisors of the main elements of the Remuneration Policy and the pay-for-performance link;
- 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 2025 is presented. This policy pertains to the remuneration of Directors, Statutory Auditors, and Managers with Strategic Responsibilities<sup>2</sup>. Among other things, it 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 Snam’s 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 2024), the fees paid in 2024 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 result in 2024 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 2024 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.

1 Art.123-ter of Legislative Decree no.58/98,as amended by Legislative Decree no. 49/2019, in implementation of the Directive 2017/828 of the European Parliament and of the Council of 17 May 2017 (Shareholder Rights Directive II, "SHRD2"), and of the Directive 2007/36/EC ("SHRD") for the promotion of shareholder engagement and of art. 84-quater of the Consob Issuers Regulation (Resolution no. 11971/99 as amended).

2 The “Managers with Strategic Responsibilities” referred to in art. 65, paragraph 1-quater, of the Issuers Regulation, which refers indirectly to the definition contained in IAS 24, are “the subjects who have the power and responsibility, directly and indirectly, to plan, direct and control the company’s activities, including the directors (executive or not) of company itself.”

3 It should be noted that Snam’s long-term incentive plan, based on financial instruments, also provides for a two-year lockdown on 20% of assigned shares, gross of those necessary for the payment of tax charges. The shares thus become available over a period of five years, thus making this element of Snam’s remuneration policy aligned with Recommendation 28 of the Corporate Governance Code.

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



# 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.

## MORE



## CORE



### ANNUAL FINANCIAL REPORT 2024

DIRECTORS’ REPORT  
NON-FINANCIAL STATEMENT  
CONSOLIDATED HALF-YEAR CONSOLIDATED  
STATUTORY FINANCIAL STATEMENTS

### 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.

### REMUNERATION REPORT 2025

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.

# REMUNERATION REPORT 2025

Remuneration Report 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 within the People Strategy 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 (Remuneration Policy 2025) and a non-binding vote on the second Section (Remuneration Report 2024).





# EXECUTIVE SUMMARY



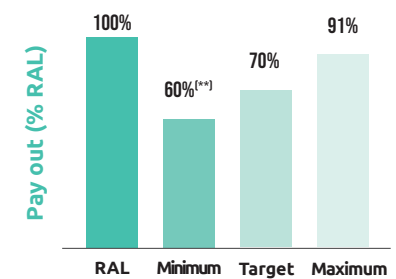
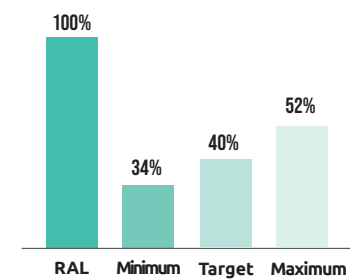

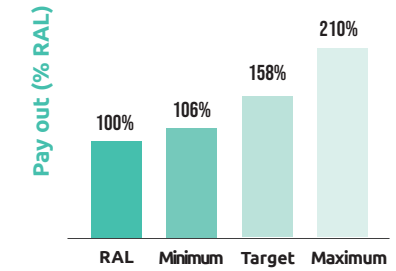
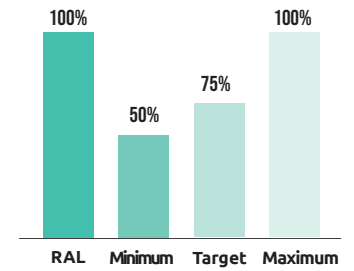









# REMUNERATION POLICY SUMMARY 2025

Remuneration Element	Purpose and Characteristics	Amounts	Page
<div><div>Pay-Mix</div></div>	<p>The 2025 Remuneration Policy guidelines establish a compensation mix that aligns with the managerial role occupied.</p> <p>For the CEO:</p> <ul style="list-style-type: none"><li>- The variable component is the 69% of the total remuneration considering target level;</li><li>- The Long Term Share-Based Incentive Plan (LTI) is largely prevalent compared to the annual one (48% considering target level of performance);</li><li>- the 70% of the CEO's Variable Remuneration is equity considering target level of performance.</li></ul> <p>For Managers with Strategic Responsibilities:</p> <ul style="list-style-type: none"><li>- The variable component is the 54% of the total remuneration considering target level;</li><li>- The Long Term Share-Based Incentive Plan (LTI) is largely prevalent compared to the annual one (35% considering target level of performance);</li><li>- the 65% of the MSR Variable Remuneration is equity considering target level of performance.</li></ul>	<div><div>Chief Executive Officer Pay-mix</div><div><div><div>Target</div><div><div><div>31%</div><div>21%</div><div>69%</div></div><div><div>30%</div><div>70%</div></div></div><div><div>Max</div><div><div><div>25%</div><div>23%</div><div>75%</div></div><div><div>31%</div><div>69%</div></div></div></div><div><div>● Fixed remuneration</div><div>● Variable remuneration</div><div>● MBO Plan (IMA)</div><div>● LTI Plan (IALT)</div><div>● Cash</div><div>● Shares</div></div></div><div><div>MSR Pay-mix</div><div><div><div>Target</div><div><div><div>46%</div><div>19%</div><div>35%</div></div><div><div>54%</div><div>35%</div></div></div><div><div>35%</div><div>65%</div></div></div><div><div>Max</div><div><div><div>40%</div><div>20%</div><div>40%</div></div><div><div>60%</div><div>40%</div></div></div><div><div>33%</div><div>67%</div></div></div><div><div>● Fixed remuneration</div><div>● Variable remuneration</div><div>● MBO Plan (IMA)</div><div>● LTI Plan (IALT)</div><div>● Cash</div><div>● Shares</div></div></div></div></div></div>	<p>p. 46</p> <p>p. 51</p>



Remuneration Element	Purpose	Features	Amounts	Page
 <b>Fixed Remuneration</b>	<i>The compensation reflects skills, professionalism, and contributions required by the role, with the objective of fostering motivation and encouraging employee retention.</i>	It is determined based on the role and responsibilities assigned, with reference to market benchmarking and with any adjustments annual established for merit or for progression of role/responsibilities.	<b>Chief Executive Officer:</b> 900,000 (including annual fixed remuneration for directors established by the Annual Shareholder Meeting of 27 April 2022 and the Gross Annual Salary for the position of General Manager).  <b>MSR*:</b> proportionate with the powers and role covered, the breadth of the responsibilities assigned and the experience, also taking into account specific market benchmarks.	CEO: p. 46  MSR: p. 51
 <b>Short-term variable remuneration (MBO Plan)</b>	<i>A useful tool to motivate and address management action in the short term, in line with the corporate objectives established by the Board of Directors.</i> <i>The amount of the Short-term variable remuneration depends on the role covered and company and individual performance results.</i>	<b>Corporate Objectives:</b> <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> <b>CEO/GM Objectives:</b> 100% corporate objectives  <b>MSR Objectives:</b> Corporate objectives (60%) Individual/role objectives (40%) The individual/role objectives are focused on economic/financial, operational and industrial performance, on internal efficiency, on sustainability issues and organisational and managerial behaviour.  <b>Claw Back</b> Clauses	Incentives provided according to the results achieved in the previous year and evaluated according to a 70/130 point performance scale, with a minimum incentive threshold equal to an overall performance of 85 points and a payout as shown below.  <div> <div> <b>Chief Executive Officer</b>  </div> <div> <b>MSR</b>  </div> </div>	CEO: p. 46-48  MSR: p. 51
 <b>Long-term Variable Remuneration (LTI Plan - Long-Term Equity Incentive)</b>	<i>Dedicated to people with the major contribution to Company's performance, it ensures a stronger alignment between the interests of shareholders and the actions of management.</i>	Three-year share-based plan with annual assignments and three-year vesting period  <b>Objectives:</b> Adjusted Net Profit (40%) Value Added (20%) Energy Transition Readiness (20%) Sustainability (20%) <b>Allocation incentive:</b> depending on the role covered <b>Maturity Incentive:</b> Three-year cumulative results measured over the vesting period on a linear scale against defined plan targets.  <b>Lock Up :</b> 2 years for 20% of the vested shares  <b>Claw Back</b> Clauses	Incentives provided according to results achieved in the previous three years according to the payout shown below.  <div> <div> <b>Chief Executive Officer</b>  </div> <div> <b>MSR</b>  </div> </div>	CEO: p. 48-49  MSR: p. 52

Remuneration Element	Purpose	Features	Amounts	Page
 <b>Benefits</b>	<i>Benefits are an integral part of the remuneration package and are characterised by social security or pension nature.</i>	Defined in continuity with the Policy adopted in the past years and in compliance with National Bargaining provisions and supplementary company agreements for management.	<p>The following benefits are assigned to CEO and MSR:</p> <ul style="list-style-type: none"> <li>• supplementary pension fund</li> <li>• supplementary health care insurance</li> <li>• forms of insurance coverage against the risk of death and disability</li> <li>• mixed-use car.</li> </ul> <p>For the CEO, there is the possibility of using a Property rented for guest use by the company in accordance with the company regulations in force.</p>	<p>CEO: p. 50</p> <p>MSR: p. 53</p>
 <b>Share ownership guidelines</b>	<i>Tool for aligning the long-term interests of senior management with those of investors.</i>	The share ownership target set for the current CEO is to be reached within five years of the policy's introduction. For newly appointed CEOs, this target must be achieved within two terms (6 years).	<b>CEO:</b> target value equal to 200% of the Fixed Remuneration	p. 50
 <b>Employee Stock Ownership Plan 2025-2027</b>	<i>Tool aimed at aligning the interests of Snam people with those of the Group, strengthening their sense of belonging and encouraging participation in the value creation.</i>	<p>Aimed at all Employees. Participation in the Plan, which is voluntary, provides for the possibility of receiving matching Shares and rights to the assignment of loyalty Shares subject to investment in Snam Shares for a maximum annual value of €2,065, through the use of own resources or through the conversion of the Company Performance Bonus, over the course of three annual awards in the years of 2025, 2026 and 2027. For desk and non-desk workers and middle managers, there is also a one-off award of 25 Welcome Shares upon first joining the Plan.</p> <p>Regarding the CEO and the MSR:</p> <ul style="list-style-type: none"> <li>• CEO: the award is limited to a single symbolic matching share regardless of the invested value;</li> <li>• MSR: the assignment is limited to the sole case of purchase through the use of own resources, and with a discount of 1 free share for every 20 purchased (corresponding to a purchase at a 5% discount).</li> </ul> <p>The minimum amount that can be invested is: 200 € The maximum amount that can be invested is 16,000 €***</p>		p. 36
 <b>Severance</b>	<i>Allowances for termination of employment and/or directorship.</i>	Snam's severance policy is defined taking into account market benchmarking analysis, investor feedback and proxy advisors' voting guidelines	<p><b>CEO:</b> There is a Cap on severance pay calculated as two years of annual fixed remuneration supplemented by the average MBO paid in the last three years, including any allowance for loss of notice and any non-competition and/or non-solicitation agreement.</p> <p><b>MSR:</b> Same rules with regulated CEO severance have been set for MSR.</p>	<p>CEO: p. 50</p> <p>MSR: p. 52</p>
 <b>Other Elements</b>	<i>Possibility of providing Entry Bonuses for attraction purposes to new MSR.</i>	The policy of attracting key resources is defined taking into account market practices and the indications of Investors and Proxy Advisors.	<b>MSR:</b> Any Entry Bonuses in favour of new joiners, intended to attract resources with high seniority and/or with specific skills, cannot exceed the limit of 1 times the fixed salary and are subject to specific repayment clauses.	p. 53

## 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 official methodology for determining the allocation of the Managing Director's long-term equity incentive plan.

\* MSR - Managers with Strategic Responsibilities

\*\* With reference to short-term variable remuneration (MBO), for the Chief Executive Officer, the minimum figure remains the same as last year, amounting to 59.5% of fixed remuneration. This value has been approximated to the unit (by default in the case of digits from zero to four and by excess in the case of digits from five to nine).

\*\*\* Only related to MSR and Non-MSR Executives.



# THE SNAM GROUP: 2024 RESULTS

## FINANCIAL RESULTS

### EBITDA

- **Adjusted EBITDA** increased by 13.9% to 2,753 million euros, thanks to positive operating results.



- **Adjusted net profit** 1,289 million euros **+10.4%** vs 2023



- **Technical investments** grew by 64.1% to 2,912 million euros, mainly in the gas sector.



- **Gas revenues** increased by 422 million euros (+14.9%) thanks to WACC, investments and ROSS regulation, despite a decline in general energy revenues.

## OPERATING RESULTS



- **Total storage capacity** managed by the Snam group as of 31 December 2024 equal to 16.9 billion cubic meters, the highest in Europe.



- **Regasified LNG** volumes equal to 4.54 billion cubic meters (+0.83 billion cubic meters compared to 2023; +22.4%) thanks to the entry into operation of the FSRU plant in Piombino.

# THE SNAM GROUP: TRANSITION PLAN

**Snam's first Transition Plan, a roadmap towards Net Zero 2050 developed on the basis of the Transition Plan Task-force (TPT) Disclosure Framework, was presented and approved in October 2024.**

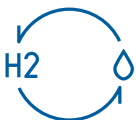
Snam supports the country's decarbonisation by investing in the Energy Transition platform. This includes the advancement of green gas (hydrogen and biomethane), championing the Italian and European hydrogen backbone initiative (South2 Corridor), developing Carbon Capture and Storage (CCS) infrastructure, and further expanding efforts to enhance energy efficiency.

## ENERGY EFFICIENCY SERVICES



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.

## SOUTH2 CORRIDOR



South2 Corridor project, in partnership with other European TSOs (TAG, GCA and bayernets): Snam will act as an enabler for the development of a continental hydrogen market also through the reuse of existing gas infrastructure. Carbon Capture and Storage (CCS) will also be important for the future decarbonisation of the country, and investments are planned over the course of the plan for the development of infrastructure for the transportation and storage of CO<sub>2</sub>.

## GREEN GASES

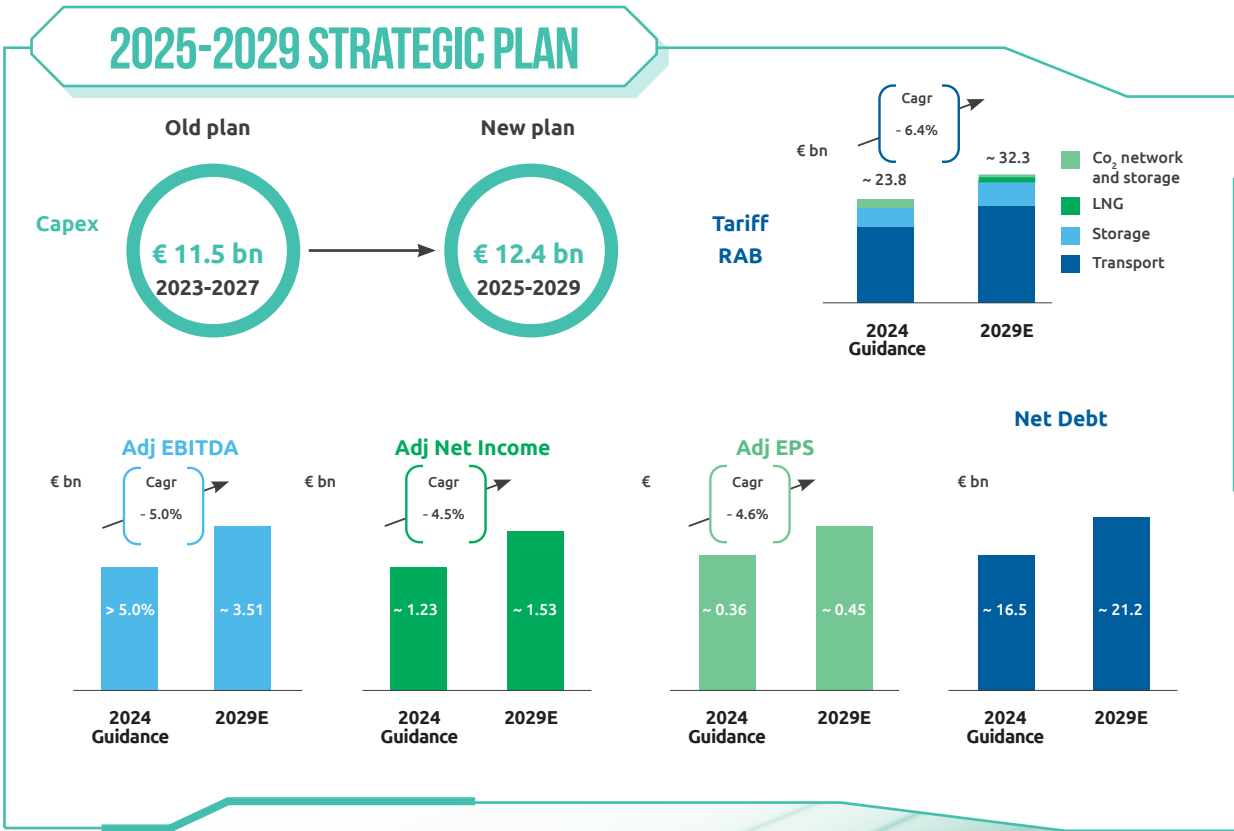
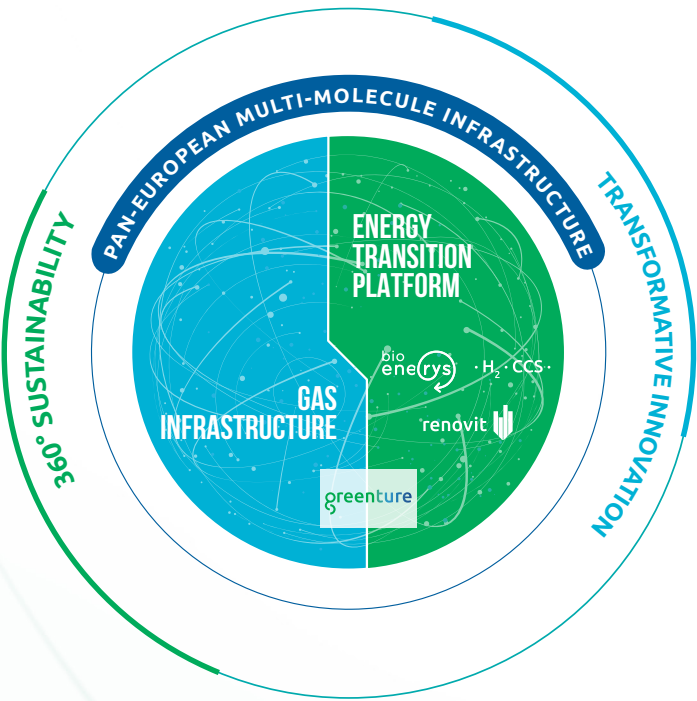


In the realm of green gas, specifically regarding biomethane, the Group not only simplifies the process of connecting plants to the network but also develops and constructs facilities. These plants concentrate on processing the organic portion of municipal solid waste as well as the ever-more vital agricultural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



# THE SNAM GROUP: 2025-2029 STRATEGIC PLAN

On 22 January 2025, Snam’s Board of Directors approved the 2025-2029 Strategic Plan, which foresees an increase in investments in order to strengthen infrastructure and contribute to the country’s greater energy security and support the energy transition.





# THE SNAM GROUP: STRATEGIC PLAN 2025-2029 AND REMUNERATION POLICY 2025

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

	GAS INFRASTRUCTURE	ENERGY TRANSITION PLATFORM	ALL-AROUND SUSTAINABILITY	TRANSFORMATIVE INNOVATION
MBO Plan 2025 (IMA)				
Adjusted Ebitda - 30%	✓	✓	✓	✓
Gas Infrastructure Investments - 20%	✓			
Energy security projects - 15%	✓			
Non Regulated Business - 15%		✓		
<b>Sustainability</b> - 20% of which: <ul style="list-style-type: none"><li>• Accident frequency and severity index - 10%</li><li>• Sustainable funding - 5%</li><li>• ESG criteria in the supply chain scoring model - 5%</li></ul>			✓	
LTI Plan 2025-2027 (IALT)				
Adjusted net profit - 40%	✓	✓	✓	✓
Value Added - 20%	✓	✓		
<b>Energy Transition</b> – 20% of which: <ul style="list-style-type: none"><li>• Km H2 ready - 10%</li><li>• MW installed biomethane - 5%</li><li>• Projects and market design Ccs and H2 - 5%</li></ul>		✓	✓	✓
<b>Sustainability</b> - 20% of which: <ul style="list-style-type: none"><li>• Reduction of natural gas emissions – 10%</li><li>• Gender equality in the management team – 10%</li></ul>	✓	✓	✓	
SHAREHOLDER VALUE CREATION				



# THE SNAM GROUP: SHAREHOLDERS' MEETING VOTE RESULTS 2024

In 2024, the Annual Shareholders' Meeting recorded a high level of approval for the Snam Remuneration Report, which received broad support from Shareholders (97.3% votes in favour for Section I and 97.8% for Section II), the highest level of approval recorded since 2021.

FIGURE 1: TREND OF FAVOURABLE VOTING RESULTS ON THE REMUNERATION POLICY (2020-2024)

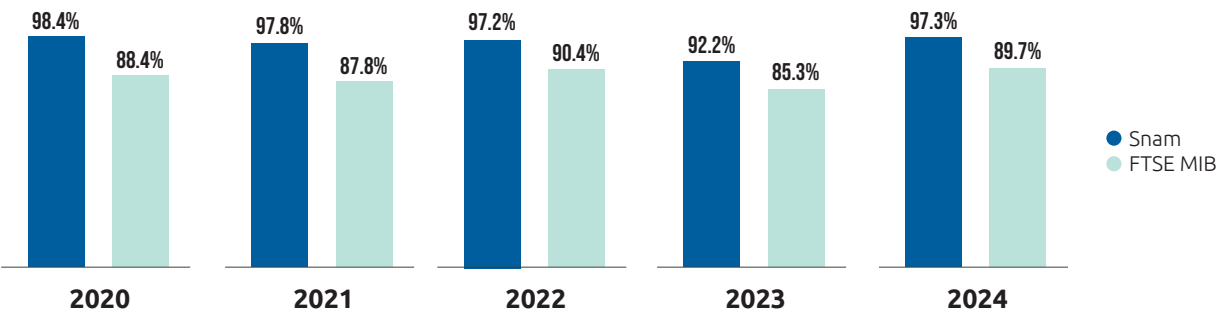
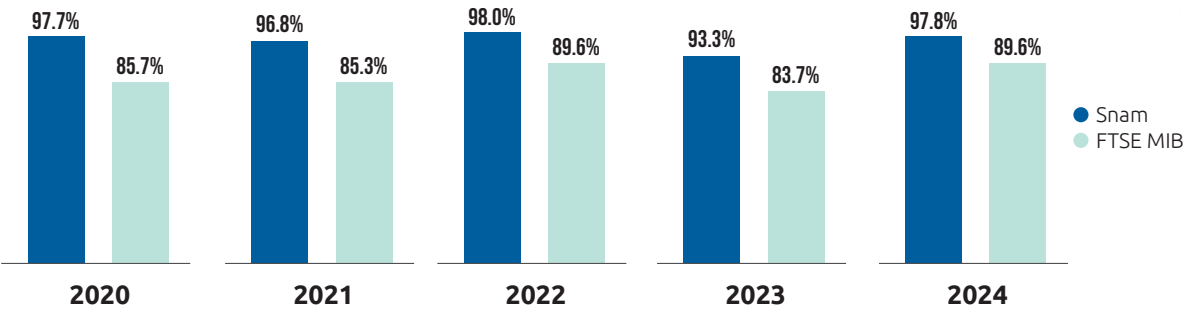


FIGURE 2: TREND OF FAVOURABLE VOTING RESULTS ON THE REMUNERATION REPORT (2020-2024)



# THE SNAM GROUP: NEW FEATURES OF 2025 REMUNERATION POLICY AND DISCLOSURE OF NEW ITEM

The 2025 Remuneration Policy has been prepared in continuity with the evolutionary path that has characterised the proposals at the shareholders' meeting since the Committee was established, in alignment with the expectations of Investors and Shareholders and, in general, aimed at creating value for all stakeholders. The proposals for 2025, in continuity and completion of the path outlined, confirm the alignment with Investors and the strenght of Governance, also in terms of presiding strategic principles.

## EMPLOYEE STOCK OWNERSHIP PLAN



Launch of the **Employee Stock Ownership Plan 2025-2027** for all employees. The plan primarily supports the participation of **desk and non-desk workers and middle managers** in sharing the value created.

## MBO PLAN EXTENSION



Starting from 2025, the MBO system is also aimed at **Middle Management**, in line with Snam's meritocratic approach and with the aim of recognising and enhancing people's contribution, stimulating their engagement and responsibility in achieving company's objectives, through clear and transparent rules.

## MANAGERS WITH STRATEGIC RESPONSIBILITIES (MSR) REMUNERATION POLICY

### SEVERANCE



Also for the MSR, the **severance limit** of two years of fixed remuneration integrated by the average of the annual incentives recognised in the last three years, intended as all-inclusive, has been set following the same rules applied to the CEO.

### MBO OBJECTIVE WEIGHTS

Increase in the **weight of corporate objectives** within the annual incentive plan (MBO) to **60% (vs. previous 25%)**.

### ENTRY BONUS

Any Entry Bonus for future hiring within **the limit of one year of fixed remuneration** only when strictly needed.

In 2025, the company also committed itself to **improve the graphic and communicative presentation** of the Remuneration Report through the inclusion of a section dedicated to **People Strategy**, which explains its principles and purposes in line with emerging best practices. A new section of the **Executive Summary** was also introduced to make it easier for Investors and Proxy Advisors to read the main elements of the Remuneration Policy and the pay-for-performance linkage.

## PEOPLE STRATEGY AND THE NEW EMPLOYER VALUE PROPOSITION



The remuneration policy is enhanced with a **section dedicated to People Strategy**, aimed at outlining the path of value creation for all Snam people. In 2025, Snam decided to establish a unified Employer identity by leveraging the strategic clarity of the entire business. This approach aims to effectively communicate the Company's vision to both internal and external stakeholders, for positioning purposes and further improve its brand awareness and reputation.

## TRANSPARENCY



The commitment to maximum transparency has been maintained thanks to **the inclusion of the Executive Summary**, the **reorganization of contents** between Section I and Section II and the **renewed editorial format** with which the document is presented together with the Shareholders' Meeting reporting.



# SNAM'S PEOPLE STRATEGY

Snam's People Strategy is closely linked to the business strategy and is a key factor in achieving the company's long-term objectives. Through careful management of human resources, which includes **skills development, promotion of well-being and inclusion**, Snam is preparing to face future challenges with resilience and with a view to long-term sustainability. **Investing in talent and internal growth** ensures that people are always ready to **respond to market needs and support innovation**. This integrated approach allows Snam to create a **dynamic and stimulating environment**, where people are the driving force of continuous evolution and corporate growth. The Pillars of Snam's People Strategy are noted below.





# EMPLOYEE STOCK OWNERSHIP PLAN 2025-2027

The Employee Stock Ownership Plan 2025-2027 is dedicated to all employees and aims to consolidate Snam employees' sense of belonging to the company and to encourage their **participation in the creation of the shared value**, aligning them with the interests of shareholders.

The Plan primarily supports the participation of Middle Managers, desk and non-desk workers in the corporate value creation.

Participation in the Plan, which is **voluntary**, provides for the possibility of receiving matching Shares and rights to the assignment of loyalty Shares subject to investment in Snam Shares for a maximum annual value of €2,065, through the use of own resources or through the conversion of the Company Performance Bonus, over the course of three annual awards in the years 2025, 2026 and 2027.

For Middle Managers, desk and non-desk workers, employees and managers, a one-off award of **25 Welcome Shares** is also foreseen only the first time people join the plan (one shot); **matching shares** and **welcome shares** will be subject to a **36-month Lock-up**.

The minimum amount that can be invested is 200 € while the maximum is:

- 16,000 € for MSR and Non-MSR Executives; and
- 8,000 € for Middle Managers, desk workers and non-desk-workers.

At the end of the 36-month lock-up period, Participants will be entitled to receive additional free shares (**loyalty shares**), equal to 10% of the shares (purchased and received as matching) for Executives and MSR; 25% of the shares for the rest of the company population. The allocation of loyalty shares will only occur in the event of voluntary acceptance of the restriction of unavailability and non-transferability for further 36 months.

The Plan, approved by the Board of Directors on February 12, 2025, will be submitted for approval to the Annual Shareholders' Meeting called for May 14, 2025. For further details, please refer to the Plan Information Document, drawn up pursuant to Article 114-bis of Legislative Decree 24 February 1998 no. 58 (TUF) and Article 84-bis of the Regulation adopted by Consob with resolution no. 11971 of May 14, 1999 as subsequently amended and integrated (Issuers' Regulation), published on the Company's website in the "Governance/Remuneration" section and made public within the terms established by current legislation.

## PURCHASE WITH EMPLOYEES' OWN RESOURCES

Category	Matching Shares
Chief Executive Officer	1 share regardless of purchased shares
MSR	1 free share for every 20 purchased
Executives	1 free share for every 10 purchased
Middle Managers, desk and non-desk workers	1 free share for every 4 purchased

## PURCHASE THROUGH CONVERSION OF COMPANY PERFORMANCE BONUS FOR MIDDLE MANAGERS, DESK AND NON-DESK WORKERS

Conversion/Investment	Matching Shares
75% of the Company Performance Bonus	1 free share for every 2 purchased with the Company Performance Bonus
50% of the Company Performance Bonus	1 free share for every 3 purchased with the Company Performance Bonus
25% of Company Performance Bonus	1 free share for every 4 purchased with the Company Performance Bonus



# IMPLEMENTATION OF 2024 REMUNERATION POLICIES

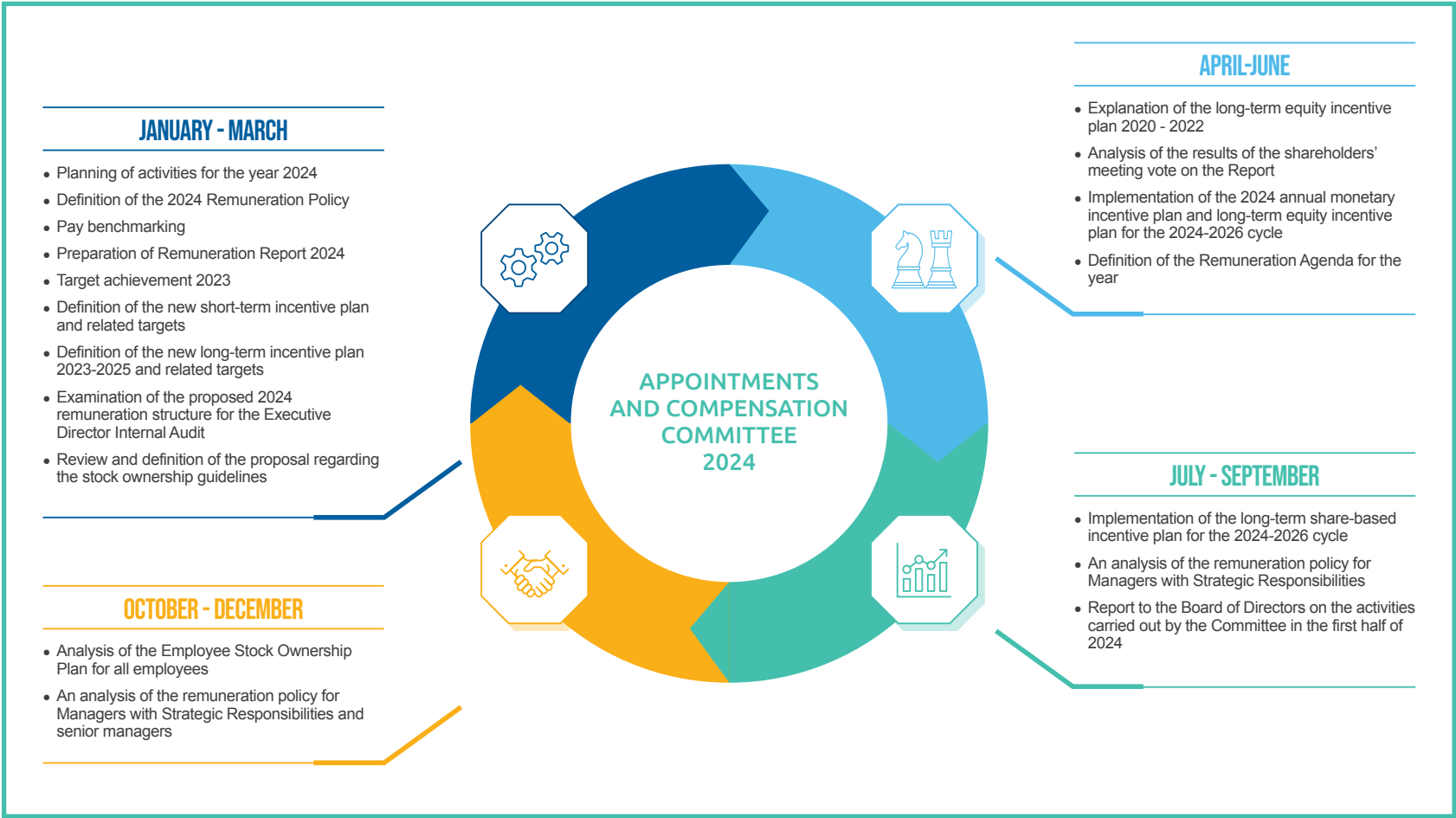
## 2024

During 2024, the Appointments and Compensation Committee met a total of **12 times** with an **average attendance of 100%**. In addition to the members of the Committee, the meetings were usually attended by the chairman of the board of statutory auditors or an effective auditor designated by the latter. The Committee carried out its functions according to an annual calendar noted below.

## 2025

For 2025, the Committee has defined its own calendar and, as of the date of approval of this Report, has already held 6 meetings. The meetings already held focused on the following topics:

- examination of the **Remuneration Report 2025**;
- analysis of **remuneration benchmarking results** and definition of the 2025 Policy;
- **performance review of 2024 corporate results** with reference to the 2024 MBO Plan for the Chief Executive Officer and the long-term equity incentive Plan 2022-2024;
- **definition of performance objectives for the 2025** management by objectives Plan (MBO Plan) and the 2023-2025 Long Term Share Incentive Plan (LTI Plan), third cycle 2025-2027;
- definition of an **Employee Stock Ownership Plan** for all employees;
- introduction of a **succession plan for the Leadership Team** to be implemented within **3-5 years from now**.



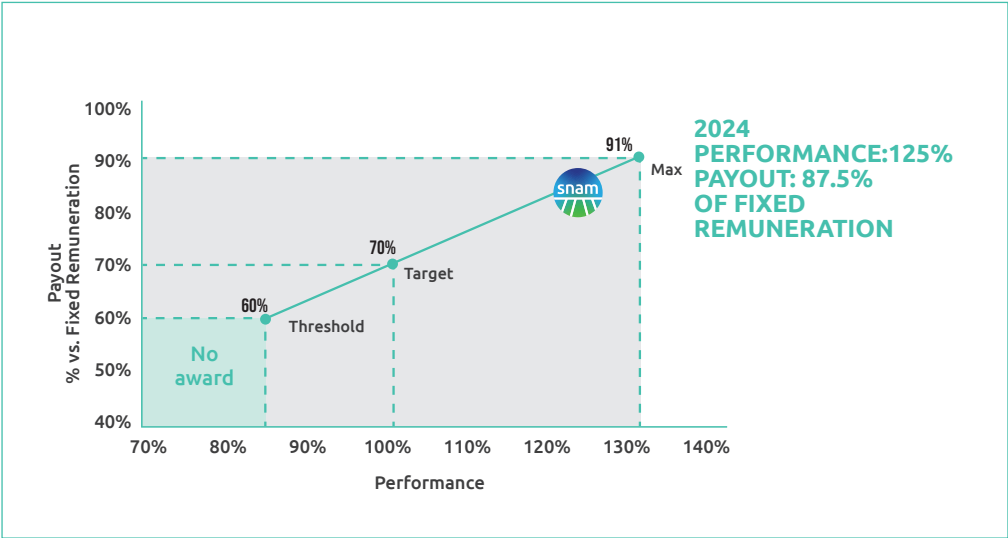


CHIEF EXECUTIVE OFFICER: PERFORMANCE ACHIEVED AND SHORT-TERM INCENTIVE (MBO PLAN)\*

The 2024 results achieved by Snam, approved on March 19, 2025 by the Board of Directors, upon proposal of the Appointments and Compensation Committee, led to an overall performance score of **125** on the measurement scale used, which provides for a minimum, target and maximum level of 70, 100 and 130 points respectively. **The score achieved (125%) determined an incentive for the CEO of Euro 787,774**, which will be paid during 2025 and which corresponds **to 87.5% of the fixed annual remuneration**, taking into account the assigned incentive levels: minimum (60%), target (70%) and maximum (91%).

ACHIEVING ANNUAL MONETARY INCENTIVE 2024 OBJECTIVES (MBO PLAN/IMA)

IMA 2024 CEO scorecard		Minimum value	Target value	Maximum value	Actual value	Minimum score	Target score	Maximum score	Achieved score
adjusted EBITDA (€ Millions)		2,636	2,717	2,744	2,753	21	30	39	39
Gas Infrastructure Investments	Regulated Gas Infrastructure Spending(€/mln)	-7%: 1,879 +7%: 2,162	-5%:1,920 +5%: 2,122	-3%: 1,960 +3%: 2,081	2,014	7	10	13	13
	Milestone achievement of the main projects (activities carried out)	2 out of 4	3 out of 4	4 out of 4	4 out of 4	4	5	7	13
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	1 out of 3	2 out of 3	3 out of 3	3 out of 3	14	20	26	19.50
Unregulated businesses Milestone Achievement & Final Recertification   Snam Rete Gas	Energy Efficiency (Gross Margin €/mln)	22.6	28.5	33.9	32.0	4	5	7	5.96
	Biomethane: Production in millions of Smc of Biomethane	13.7	17.1	20.5	17.3	4	5	7	5.12
	Decarbonisation Projects: Ravenna CCS		On/Off		Maximum	4	5	7	6.50
Sustainability	IPFG	0.80	0.55	0.40	0.55	7	10	13	9.96
	Sustainable Finance (€/mln)	80%	90%	100%	100%	4	5	7	6.50
	Sustainable Supply Chain - ESG criteria in tenders% of the proxy awarded through tenders with ESG criteria in the scoring models	30%	35%	40%	42.4%	4	5	7	6.50
Total weighted score						70	100	130	125



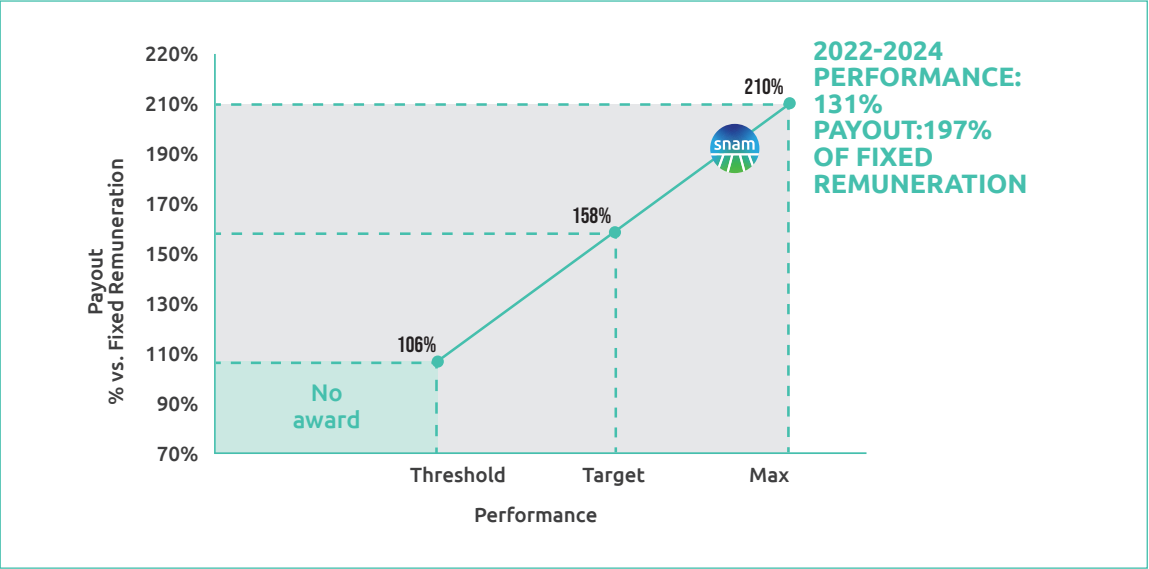
\* Refers to the Annual Monetary Incentive Plan – IMA (renamed MBO Plan starting from the 2025 Report).



# CHIEF EXECUTIVE OFFICER: PERFORMANCE ACHIEVED AND LONG-TERM EQUITY INCENTIVE (LTI)\* 2020-2022 (2022-2024 CYCLE)

## ACHIEVING LTI 2022-2024 OBJECTIVES (IALT)

LTI 2022-2024 objectives card	Minimum value	Target value	Maximum value	Actual value	Achieved score
Value Added 2024 compared to 2021 (€ Million)	1,641	1,676	1,728	2,100	40
Cumulative ADJ Net Profit over three years (2022 - 2024) (€/mln)	3,351	3,385	3,469	3,620	67
Emissions (reduction 2024 compared to 2015 values) (bcm/scm)	-52.2%	-53.5%	-54.9%	-62.4%	13
Diversity - (% of female managers and managers in 2024 out of total managers and company managers)	25.0%	26.0%	27.5%	26.5%	11
				Total score reached	131

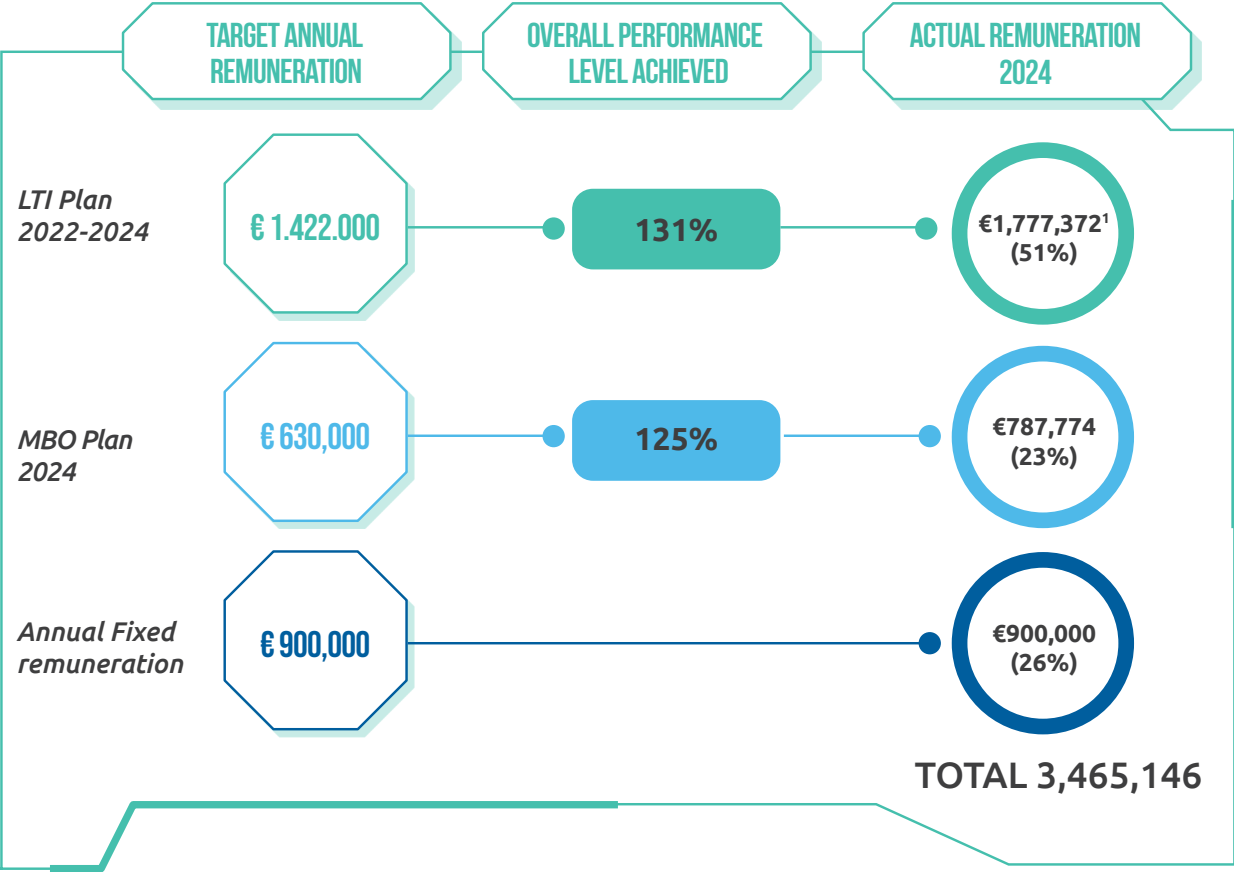


The score achieved determined an incentive to the CEO equal **to 131% of the Target level**, equivalent to **362,729 Snam shares**. Considering the Snam share value on the award date, the overall bonus accrued for the 2022-2024 cycle is equal to 1,777,372 euros \*\*, which will be paid during 2025.

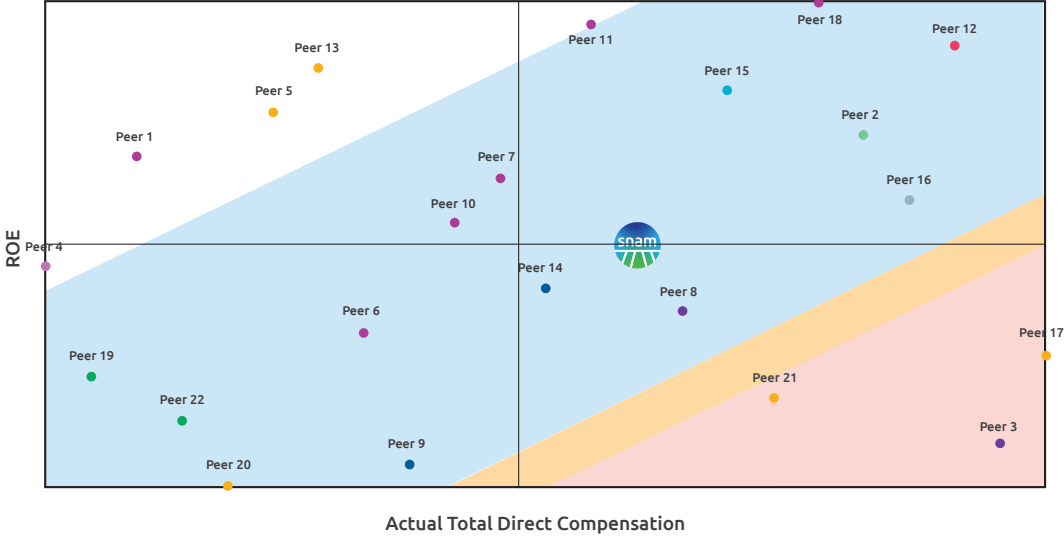
\* Refers to the Long-Term Share Incentive Plan - LTI (renamed LTI Plan starting from the 2025 Remuneration Report).

\*\* Calculated at the Fair Value of the Snam share on the award date of the 2022-2024 cycle (€4.90).

CHIEF EXECUTIVE OFFICER: PAY-FOR-PERFORMANCE



1 Calculated at the Fair Value of the Snam share on the award date of the 2022-2024 cycle (€4.90).



Note: Data source for Actual Total Direct Compensation (ATDC - Fixed Remuneration, Short-Term Incentive and Fair Value of Long-Term Incentive): Remuneration Report 2024 referring to 2023. For SNAM, the ATDC value for FY 2024 is reported.



# SECTION I REMUNERATION POLICY 2025

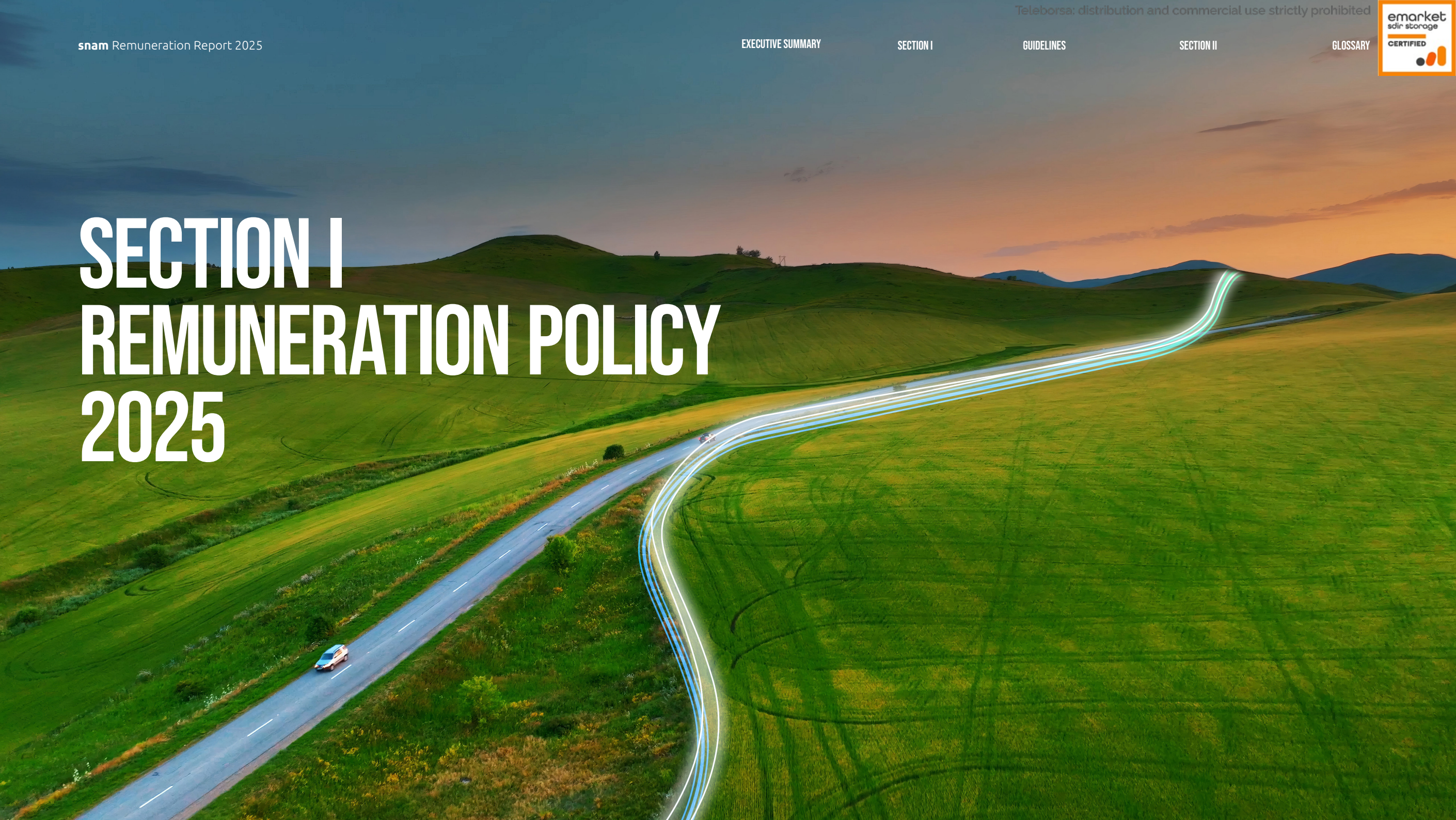




TABLE OF CONTENTS

<b>SECTION I</b>	
<b>REMUNERATION POLICY 2025</b>	<b>25</b>
Engagement process and remuneration policies	27
Shareholders' meeting voting results	28
Remuneration Policy 2025 and Strategic Plan 2025-2027	28
The Snam Group: new features of the 2025 remuneration policy and disclosure of new item	30
A strategy for sustainability	31
Snam's people strategy	32
Open and inclusive work atmosphere	32
People Engagement	33
Welfare and Wellbeing	33
Health and safety	34
Talent Development	34
Pay-for-performance	35
People Digital Journey	35
The new Employer Value Proposition and Snam's Employer Branding	36
Employee Stock Ownership Plan 2025-2027	37

Peer Group	38
Governance of the remuneration process	39
Derogations	43
<b>REMUNERATION POLICY GUIDELINES 2025</b>	<b>44</b>
Duration, purpose and general principles of the Remuneration policy	44
Remuneration policy	45
Remuneration of the Board of Directors, Committees and the Board of Statutory Auditors	46
<b>REMUNERATION OF THE CHIEF EXECUTIVE OFFICER</b>	<b>47</b>
Fixed remuneration	47
Variable remuneration	47
Terms and Severance Indemnity and non-competition agreements	51
Benefits	51
Share Ownership Guidelines (SOG)	51

<b>REMUNERATION OF MANAGERS WITH STRATEGIC RESPONSIBILITIES</b>	<b>52</b>
Fixed remuneration	52
Variable remuneration	52
Executive Director Internal Audit	53
Terms and severance indemnity	53
Additional items	54
Benefits	54
Claw-back mechanisms	54





# 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 receive guidance from Institutional Investors and Proxy Advisors.

The Engagement Policy is inspired 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 promote dialogue with stakeholders and in order to comply with the recommendations of the Corporate Governance Code and engagement practices, on 29 July 2021, the Policy for managing dialogue with shareholders and other interested parties was approved by the Board of Directors . This policy determines the methods for Investors to request engagement with the Board of Directors and is aimed at encouraging constant dialogue and continuous for the benefit of all the stakeholders involved, with a view to creating value in the medium to long term.

Since its implementation, this policy has been formally activated on two occasions.

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 2024, Snam conducted 199 meetings with Institutional Investors. In particular, the usual engagement activity was carried out with the main Proxy Advisors, with the aim of examining in depth the considerations expressed by them with reference to the main points on the agenda of the Shareholders’ Meeting. A dialogue was also undertaken with some Investors in view of the publication of the first Transition Plan, which took place in October, to gather ideas and suggestions from the market regarding the document (10 meetings). Finally, detailed responses were prepared to the numerous engagement letters addressed to the Board, in particular on climate and disclosure issues.

The engagement activity was dedicated to the themes of Governance, Sustainability and Compensation. As part of this activity, the Chair of the Board of Directors, accompanied by the support functions, met with the stewardship structures of some of the main institutional investors, who provided valuable feedback and suggestions for improvement.

In the first months of 2025, this activity continued with a particular focus on ESG issues, the Transition Plan and new developments in the remuneration area.

# SHAREHOLDERS' MEETING VOTING RESULT

The 2024 Report reported broad consensus among stakeholders, thanks also to the usual engagement activity that the company carries out during the year. The following charts show the trend of favourable votes in relation to Section I and Section II of Remuneration Report in the period 2020-2024.

FIGURE 1: TREND OF FAVOURABLE VOTING OUTCOMES ON THE REMUNERATION POLICY (2020-2024)

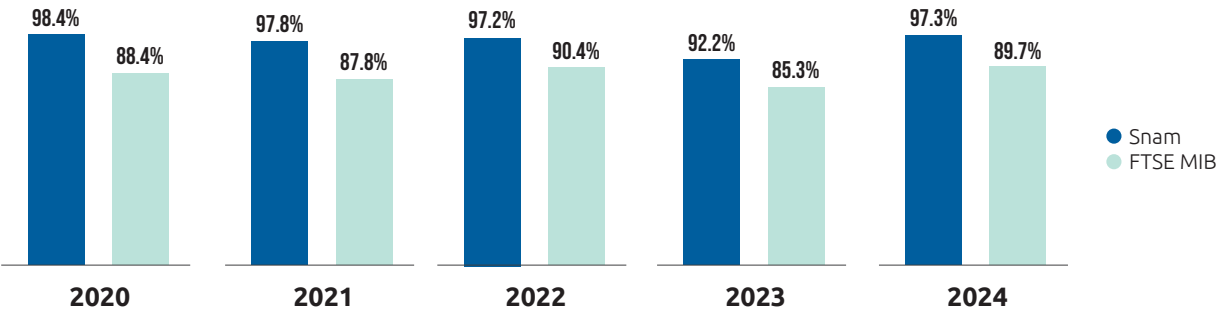
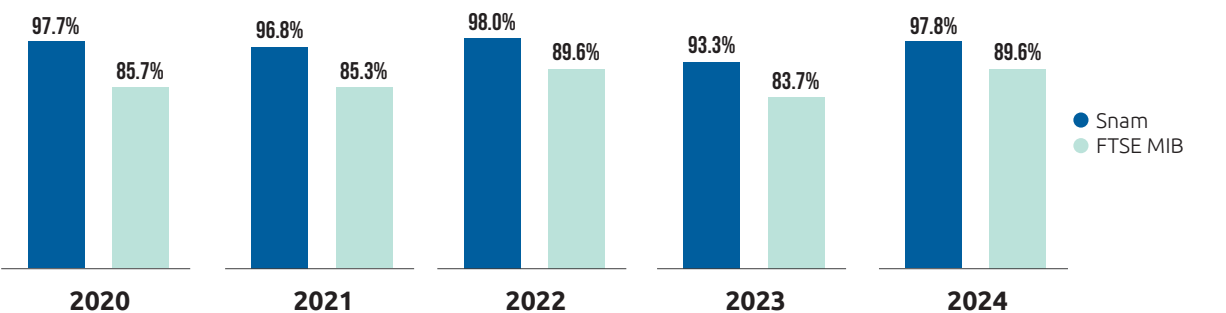


FIGURE 2: TREND OF FAVOURABLE VOTING OUTCOMES ON THE REMUNERATION REPORT (2020-2024)



# REMUNERATION POLICY 2025 AND STRATEGIC PLAN 2025-2029

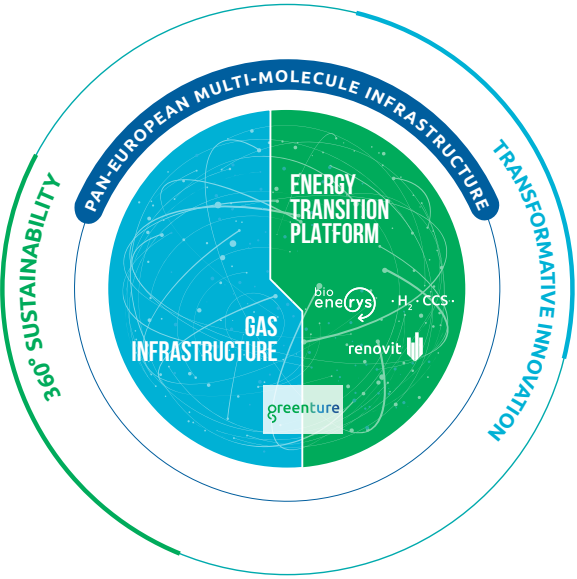
On 22 January 2025, Snam 's Board of Directors approved the 2025-2029 Strategic Plan, which sees an increase in investments in order to strengthen infrastructure , contribute to the country 's greater energy security and support the energy transition.

The gas infrastructure and the platform related to the energy transition businesses are even more synergistic and interconnected, as is the Pan-European perspective. Snam 's goal over time is to continue to respond in a balanced way to the challenges of the energy trilemma through an infrastructure that can guarantee security, sustainability and competitiveness of energy supplies.

The plan involves investments aimed at greater flexibility of the energy system through the adequate sizing of a multi-molecule, modular, flexible and innovative Pan-European infrastructure.

Complementary to this guideline, the development of the Energy Transition platform is expected focused on technologies for decarbonisation, with a strategic and enabling role of sustainability and innovation.

FIGURE 3 - SNAM'S INTEGRATED STRATEGIC FRAMEWORK





Snam's commitment to achieving the emission reduction targets continues and, with the new Strategic Plan, the achievement of the Net Zero target on all emissions (Scope 1, 2 and 3) by 2050 has been confirmed. The first Transition Plan was also published in October, a transparent roadmap to clearly and systematically outline sustainability objectives and related actions and resources to support the energy transition.

Snam's sustainability strategy has been confirmed, which adopts an all-round approach, fully integrated into the Group's operations and business strategy and involves a commitment focused on seven pillars:

- **Multi-molecule infrastructure**
- **Green transition**
- **Carbon neutrality**
- **Biodiversity And regeneration**
- **People**
- **Local community**
- **transformative innovation**

Based on this approach, the Sustainability Scorecard has been updated with relevant key performance indicators (KPIs) to measure progress in all the mentioned pillars by 2029.

With reference to the provisions of Art. 123-ter, paragraph 3-bis, of the TUF, the reference is proposed in the diagram below between the performance objectives used in short and long-term incentive systems and the basic guidelines of the 2025-2029 strategic Plan, from which we can see the clear and complete alignment between the Strategic Plan and the Company's Remuneration Policy.

**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 compensation package is strongly focused on the variable components of remuneration, especially in the long term (70% of total income for the Chief Executive Officer).**

**Snam's Remuneration Policy supports the achievement of pillars of the new Strategic Plan through an adequate balance of the performance metrics of the short and long-term incentive systems, directing management towards the objective of creation of sustainable value for shareholders.**



LINK BETWEEN STRATEGY AND REMUNERATION

	GAS INFRASTRUCTURE	ENERGY TRANSITION PLATFORM	ALL-AROUND SUSTAINABILITY	TRANSFORMATIVE INNOVATION
MBO Plan 2025 (IMA)				
Adjusted Ebitda - 30%	✓	✓	✓	✓
Gas Infrastructure Investments - 20%	✓			
Energy security projects - 15%	✓			
Non Regulated Business - 15%		✓		
Sustainability - 20% of which:				
• Accident frequency and severity index - 10%			✓	
• Sustainable funding - 5%				
• ESG criteria in the supply chain scoring model - 5%				
LTI Plan 2025-2027 (IALT)				
Adjusted net profit - 40%	✓	✓	✓	✓
Value Added - 20%	✓	✓		
Energy Transition – 20% of which:				
• Km H2 ready - 10%				
• MW installed biomethane - 5%		✓	✓	✓
• Projects and market design Ccs and H2 - 5%				
Sustainability - 20% of which:				
• Reduction of natural gas emissions – 10%	✓	✓	✓	
• Gender equality in the management team – 10%				

CREATION OF VALUE FOR SHAREHOLDERS

# THE SNAM GROUP: NEW FEATURES OF THE 2025 REMUNERATION POLICY AND DISCLOSURE OF NEW ITEM

The Remuneration Policy 2025 has been prepared in substantial continuity with the evolutionary path that has characterised the proposals at the shareholders' meeting since the Committee was established, in alignment with the expectations of Investors and Shareholders and, in general, aimed at creating value for all stakeholders. The proposals for 2025, in continuity and completion of the path outlined, strengthen the alignment with Investors, market best practices and the robustness of Governance, also in terms of safeguarding strategic principles. In particular, the following updates are proposed for 2025:



## EMPLOYEE STOCK OWNERSHIP PLAN

Among the most significant innovations for 2025, in line with the inspiring principles of its People Strategy, Snam is submitting the Employee Stock Ownership Plan 2025-2027 for all employees for approval by the Shareholders' Meeting, with **the aim of further aligning the interests of Snam's people with those of the Company and its shareholders, strengthening their sense of belonging** and encouraging participation in the company value creation. The Plan primarily **supports the participation of desk, non-desk workers and middle managers in the creation of company shared value.**



## SEVERANCE POLICY

In analogy to what is provided and regulated for the Chief Executive Officer and in line with the Italian Market Best Practices, a **severance cap** has also been established for **Managers with Strategic Responsibilities** (MSR), calculated as two years of fixed remuneration integrated with the average of the annual monetary incentive (MBO) paid in the last three years, including any compensation for lack of notice and any non-competition and non-solicitation agreements.



## REMUNERATION POLICY FOR OTHER MANAGERS WITH STRATEGIC RESPONSIBILITIES

With reference to Managers with Strategic Responsibilities, within whose scope, during 2024, **8 positions** were confirmed, in order to guarantee alignment with corporate objectives in a pay-for-performance logic and, at the same time, support their competitiveness and attractiveness, the following interventions were carried out:

- the Remuneration Policy is defined in a competitive and attractive way taking into account the role, the required experiences and responsibilities, in consideration of the specificities of the market's remuneration practices detected through Italian and Pan-European panels: in this sense, a dedicated paragraph has been added in which the **pay-for-performance** link is reported as a reference principle;
- the **weight of corporate objectives** within the annual incentive plan (**MBO**) has been **increased to 60% (compared to the previous 25%)** in order to support the alignment of the entire Leadership Team with corporate objectives;
- in line with the pay-for-performance principle, **any Entry Bonus**, aimed at supporting the attractiveness of the remuneration package, for future hiring may be awarded on an exceptional basis, when the circumstances indicated in this policy occur, **within a limit of one fixed remuneration year (CAP).**



## MBO PLAN EXTENSION

**Starting from 2025**, the short-term incentive (**MBO**) system is also addressed to **Middle Management**, in line with Snam's meritocratic approach and with the objective of recognising and enhancing the contribution of people, stimulating their engagement and empowerment in achieving corporate objectives, thus applying clear pay-for-performance principles.

In 2025, the company also committed itself to **improving the graphic and communicative presentation** of the Remuneration Report through the inclusion of a section dedicated to the **People Strategy**, which explains its principles and purposes in line with emerging best practices. A new section of the **Executive Summary** was also introduced to make it easier for Investors and Proxy Advisors to read the main elements of the Remuneration Policy and the pay-for-performance linkage.



## PEOPLE STRATEGY AND THE NEW EMPLOYER VALUE PROPOSITION

The remuneration policy is enriched with a section dedicated to the People Strategy, aimed at **illustrating the path to create value for all Snam people, within a consistent framework of integrating the remuneration lever with development** and participation plans by activating a renewed Employee Experience, in order to propose an attractive, inclusive offer and create shared value for all stakeholders. In 2025, Snam decided to establish a unified Employer identity by leveraging the strategic clarity of the entire business. This approach aims to effectively communicate the Company's vision to both internal and external stakeholders, for positioning purposes and further improve its brand awareness and reputation.



## TRANSPARENCY

In close integration with the overall assembly reporting framework, Snam has maintained its commitment to transparency:

- An **Executive Summary** is presented in order to facilitate reading by Investors and Proxy Advisors of the main elements of the Remuneration Policy and the pay-for-performance link;
- A **reorganisation of the contents between Section I and Section II** is introduced, in order to support a clear distinction between "Remuneration Policy" and "Remuneration Report";
- The entire document is presented with a **new editorial format**, together with the Shareholder's meeting Reporting.

The above elements complete the evolutionary path of the Remuneration Policy, in close integration with the innovations already introduced in the 2024 Policy with particular reference to the Chief Executive Officer, such as the introduction of the Share Ownership Guidelines, in alignment with Market best practices and the expectations of Investors and Proxy Advisors, and the redefinition of the Peer Group, in order to reflect the business and strategic context in which Snam operates. The Remuneration Policy illustrated in this Report has an annual duration (2025).

# A STRATEGY FOR SUSTAINABILITY

In Snam's sustainability strategic framework, economic, industrial and social objectives coexist, thus creating a direct link between business performance and the achievement of specific objectives related to multi-molecule infrastructure, green transition, decarbonisation, biodiversity, and innovation and digitalisation, as well as those related to Snam people and local communities. In fact, with its sustainability strategy, on the one hand Snam intends to achieve a safe and green energy transition by directing significant investments in multi-molecule infrastructures, which will significantly contribute to the security, sustainability and competitiveness of the country's energy supply, in line with the objectives of the Strategic Plan. On the other, it wants to be a sustainable company, providing fair, inclusive and safe working conditions for its employees, collaborating with local communities for their development and actively working to reduce greenhouse gas emissions and have a positive impact on nature. In this context, the role of innovation and digitisation will be transversal and enabling for all defined objectives.

- The sustainability framework is structured into 7 strategic pillars, along seven lines (pillars):**
- Multi-molecule infrastructure
  - Green transition
  - Carbon neutrality
  - Biodiversity and regeneration
  - People
  - Local Communities
  - Transformative innovation

For each line, the Group has defined a clear ambition with a 2030 perspective, concretised in the 2025 and

2029 targets of the updated Sustainability Scorecard, which monitors more than 30 KPIs.

The issue of climate change is central to Snam, which has defined a decarbonisation strategy aimed at containing and reducing greenhouse gas emissions, energy efficiency and the search for innovative, low-carbon solutions.

The Group has outlined a clear decarbonisation pathway for Scope 1 and Scope 2 GHG (greenhouse gas) emissions from the activities of the regulated business, setting itself intermediate targets at 2027, 2030 and 2032 compared to 2022 levels, to subsequently achieve carbon neutrality at 2040 across the entire Snam group perimeter. Furthermore, Snam has also outlined a decarbonisation path for Scope 3 GHG emissions from upstream and downstream value chain activities, with intermediate targets for 2030 and 2032 on the regulated perimeter.

With the new Strategic Plan, Snam confirms its ambitious goal of achieving zero net emissions by 2050 for all direct and indirect emissions of the Group, understood as a 90% reduction in emissions and the remaining 10% through off-setting projects.

In Snam's sustainability strategy, in addition to climate change, the issue of biodiversity is also crucial. Snam, in fact, has developed a strategy aimed at reducing the environmental impact of its activities, paying particular attention to the protection of biodiversity.

Through the analysis of the natural footprint carried out in 2023, Snam assessed the environmental



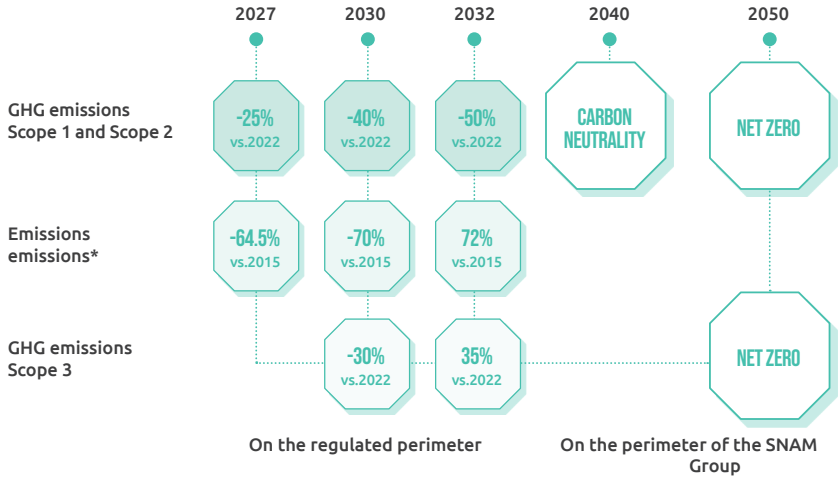
pressures resulting from the various corporate activities. The analysis shows a potential long-term impact on land use change, concentrated in infrastructure construction activities.

Although no other significant impacts on biodiversity emerged, Snam pursued and achieved the goal of zero net conversion by 2024. This result represents an intermediate milestone towards an even more ambitious goal: achieve a net positive impact on nature by 2027, with a specific focus on areas at high risk of biodiversity loss.

- Furthermore, the 2025 Remuneration Policy pays particular attention to sustainability objectives and in particular provides, in line with the Company's sustainable strategy:**
- for the short-term incentive scheme (MBO Plan), 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 percentage of sustainable financing on the total of new medium-long term financing (5%);**
- **for the long-term share-based incentive plan (LTI 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 equality in Snam's management team (weight of 10%).**

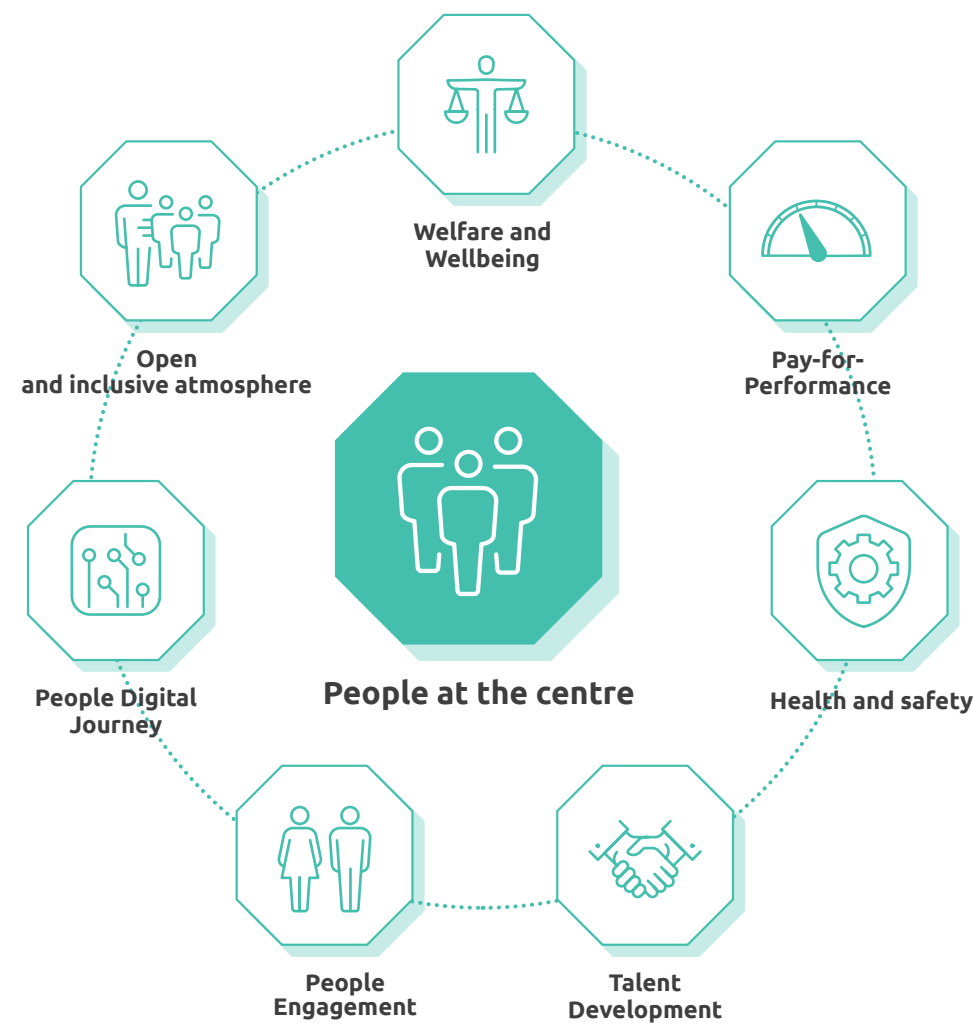
It should also be noted that the Sustainability and Energy Transition Scenarios Committee carries out activities that are synergic with those of the Appointments and Compensation Committee, first and foremost the periodic analysis of the performance of the ESG KPIs mentioned above.



\* The targets for natural gas emissions concern the perimeter of the Snam group, however the perimeter of the regulated business is equal to 99.9% compared to total natural gas emissions in 2024.



# SNAM'S PEOPLE STRATEGY

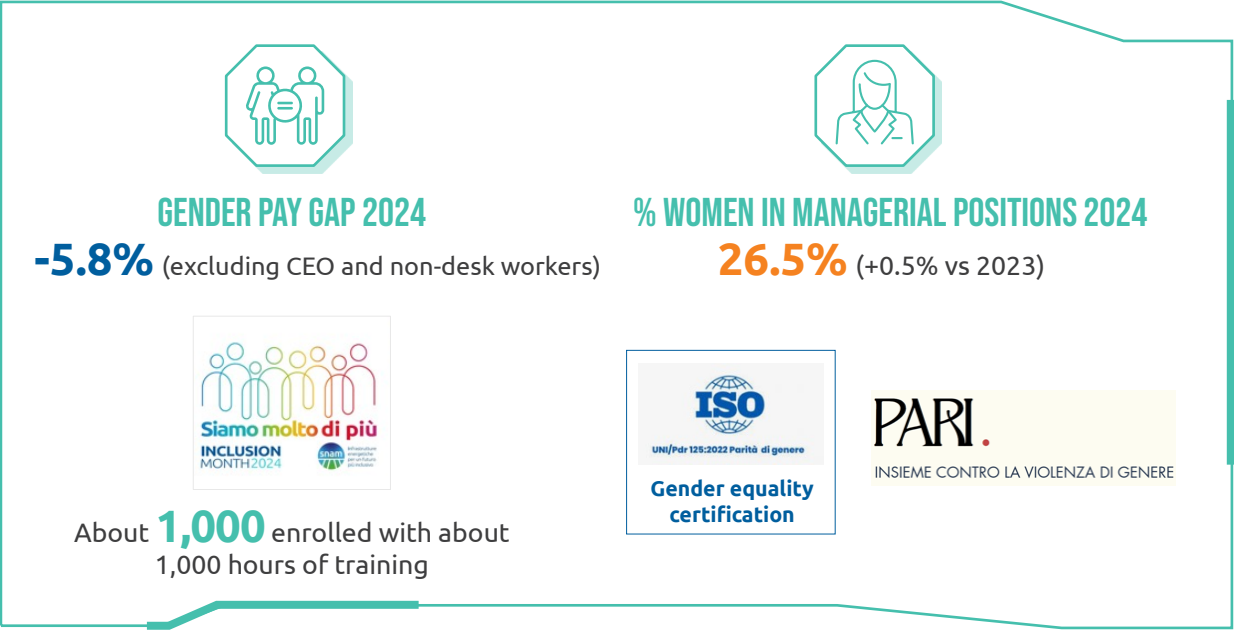


## Open and inclusive work atmosphere

At Snam we promote a welcoming work environment that is open to listening, participation and team collaboration in order to **promote a One Company culture** while recognising the quality and importance of each individual.

The attention and **commitment to Equity & Inclusion** issues is demonstrated by the introduction of a dedicated policy, which took place in 2019 and which over time has been integrated and enriched with new appendices (Gender Parity, Recruiting, Gender Violence and Gender Transition), the company has also set challenging targets in terms of gender equality, both in terms of the number of women in the company (especially in the STEM field) and in terms of the gender pay gap. These targets are also reflected in the KPIs of the incentive systems.

In 2024, Snam also contributed to **the establishment** of an **association of companies (PARI)** against the **phenomenon of femicide** and, more generally, **gender-based violence**.



People Engagement

Snam has always been committed to creating a professional environment where people feel an integral part of the company, sharing its values and purpose.

Involving and listening to people is a key element to design programmes and initiatives that have an effective return in terms of engagement. In particular, an **engagement survey** is conducted **annually** through WTW's Employee Engagement Tool with the aim of giving people a voice, ensuring independence and anonymity, understanding needs, monitoring engagement with respect to external regulations **and implementing corrective actions to meet the needs of an increasingly heterogeneous population**.

Furthermore, with a view to strengthening the bond between our people and the Group, a **Employee Stock Ownership Plan** (ESOP) will be launched in 2025 for all Group employees. The aim of the initiative is to make our people shareholders and **sharing the company value creation**, strengthening the sense of belonging that has always identified the company.

ENGAGEMENT SURVEY RESPONSE RATE 2024

87% overall participation

A NEW HEADQUARTERS BY 2025



AT LEAST 30% OF EMPLOYEES  
POTENTIAL SHAREHOLDERS OF SNAM BY 2027



Welfare and wellbeing

Snam's Strategy places a strong emphasis on **sustainability**, not only in environmental terms, but also **in relation to the physical, mental and emotional well-being of its employees**.

To complete the remuneration package, in a Total Reward perspective, the company has identified **corporate welfare as an essential dimension of its People Strategy**, defining structured programs capable of satisfying the needs of Snam people and their families with the aim of improving the quality of life of each person.

The welfare initiatives developed by Snam focus on specific dimensions that reflect the evolution of the needs of Snam people such as:

- **Health promotion**
- **Work-life balance and smart working**
- **Support for families**
- **Financial support**
- **Social Commitment and Volunteering**

2024



100%

of employees covered  
by supplementary health  
insurance



€3,500,000+

of annual investment  
in welfare



€1,000,000+

invested in family support  
services (summer camps, nursery  
school reimbursements and  
scholarships for employees' children)

Health and safety

Safety is an essential pillar of Snam's corporate culture, which has always been committed to ensuring a safe and protected working environment for all employees and collaborators. Through a proactive approach, **Snam promotes prevention, awareness and empowerment of each worker, encouraging the reporting of potentially risky situations** and investing in targeted training courses.

For employees, in addition to the mandatory training in compliance with Legislative Decree 81/08, additional training **courses in the safety field have been developed**, aimed in particular at increasing a culture of prevention and the responsibility of each worker to safeguard themselves and others (Snam4Safety Training).

In 2024, in **collaboration with ANMIL**, 10 meetings were held with **first-hand accounts from workers** injured at work who shared their experience, comparing their causes, dynamics and company culture with colleagues.

These accountability processes translate into the reporting of **Near Misses (almost injuries) and Safety Observations**, which **colleagues** and **contractors** are encouraged to record in special apps made available by Snam.

The involvement of contractors' workers occurs through an active presence on the construction site. In 2025, **the first safety week for employees and contractors** will be organised with the aim of involving all employees in seminars/events on safety at work, including audits on management systems and, above all, initiatives aimed at strengthening the culture of safety. These include field visits to foster direct dialogue with workers and workshops developed in collaboration with contractors.

NEAR MISS COLLECTION AND 2024 REPORTS

Number of reports on employees	2,092
Number of reports on Contractors	2,756
Number of Near Miss For Employees	261
Number of Near Miss for Contractors	66

SAFETY CULTURE



Talent development

As part of its People Strategy, Snam has decided to invest heavily in interconnected processes that put **people at the centre**: people engagement, long-life learning, with a specific focus on digital skills, performance management and talent development.

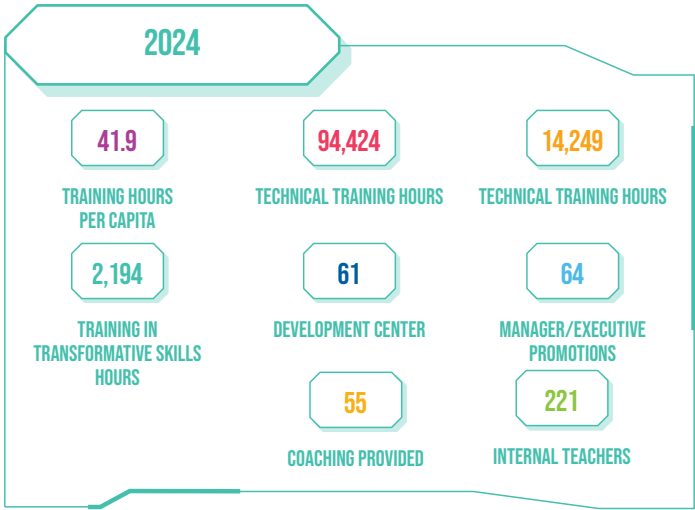
The evidence collected, enriched by **structured assessment processes** aimed at measuring individual potential, allows us to identify the internal talent pool to nurture the future pipeline.

At Snam we strongly believe in **training as a lever to prepare people to manage change**. In the training offer, in fact, the area of **transformative skills** has the objective of providing those skills considered fundamental for the development of the company, in line with the indications of the management and with the strategic plans, in particular Sustainability and Digital. For **Digital Skills** that will involve the entire community, Snam has a plan for 2025-2026 that includes topics such as data culture, artificial intelligence, cyber-security.

At Snam we also offer our people access to both **managerial training courses** created with the most prestigious business schools, and **technical training courses** aimed at ensuring the development of functional skills and cross-cutting skills necessary to lead the organisation in ongoing transitions, **making use of 221 internal teachers**.

**Following the market best practices, a structured succession planning project to fill top positions in 2025, conducted with the support of Spencer Stuart. The goal of the plan is to identify potential future members of the Leadership Team at 3 and 5 years, activating appropriate actions to develop their skills and leadership.**

The Leadership Team Succession Plan integrates the remuneration lever into a broader strategy, aimed at ensuring the coverage of key roles in the short and medium-long term, in line with the recommendations of the Corporate Governance Code. This plan strengthens Corporate Governance and promotes an inclusive and distinctive development model, placing the person at the centre of an integrated system based on people engagement, skills growth and continuous learning, with a specific focus on digital skills, performance management and talent development.





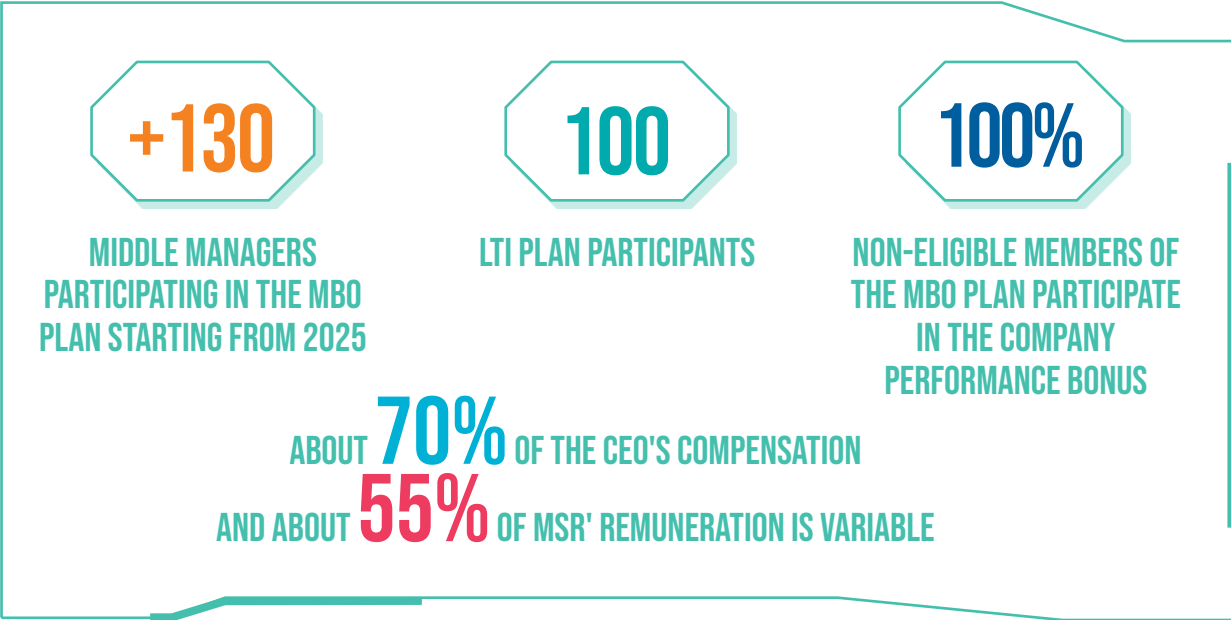
Pay-for-Performance

Snam's remuneration system is based on the principle of pay-for-performance, with the aim of **aligning the remuneration of individuals with company results** and stakeholder interests.

The remuneration strategy provides for a **balanced mix between fixed and variable components**, with incentive mechanisms that reward the achievement of strategic objectives and the value generated over time.

In particular, the short-term incentive system (MBO), aimed at all managers and, starting from 2025, also at Middle Management, is linked to economic-financial, sustainability and individual performance parameters, while the long-term incentive system (LTI Plan), currently dedicated to executive only, rewards the creation of sustainable value for shareholders, promoting alignment between management and Snam's long-term success.

The adoption of these tools makes it possible to guarantee a **meritocratic approach**, recognising and valuing people's contribution, stimulating engagement and accountability in achieving business objectives with a view to pay-for-performance.



People Digital Journey

Change and innovation are at the heart of Snam's People Strategy, which recognises the importance of adapting quickly and efficiently to market changes and new technologies.

In this context, Snam has signed an agreement with **Workday**, a leading company in the digitalization of business processes, to develop a new roadmap for people-related systems.

Snam aims to transform HR processes through a structured digitalization path, redefining the HR landscape based on some key pillars. These include integrating, unifying and automating HR processes, adopting people-centric technologies to ensure an optimal experience, spreading a data-driven mindset within the HR team with a strong focus on proximity to people, and renewing the HR offering thanks to the use of advanced technologies such as AI and Generative AI.

All this will lead to the implementation of a **Digital HR One Platform**, capable of ensuring the integration of all HR processes in a single platform dedicated to all SNAM people capable of exploiting the continuous evolution of AI.



# THE NEW EMPLOYER VALUE PROPOSITION AND SNAM'S EMPLOYER BRANDING

In 2025, Snam decided to establish a unified Employer identity by leveraging the strategic clarity of the entire business. This approach aims to effectively communicate the Company's vision to both internal and external stakeholders, for positioning purposes and further improve its brand awareness and reputation.

The job market in Italy for industrial companies is increasingly competitive, due to the general demographic trend and also the lack of adequate "STEM" profiles, with both degree and diploma.

We have the challenging goal of hiring around 1,000 talents in the three-year period 2025-2027, mostly due to a change in the demographic mix, including 70% in the STEM field. The external market today recognises us as having an excellent Reputation but a low Awareness level compared to competitors, thus we need to strengthen our presence as an Employer by describing our Identity in a credible and distinctive way (Employer Value Proposition).

In 2025 we will launch an internal and external communication campaign, the result of a work carried out in 2024, to communicate our founding and distinctive features as an Employer in a new, captivating, but coherent and credible way.

"Your energy inspires us" is Snam's new EVP in a nutshell, consistent with the Company's Purpose and Ambition, based on the 6 distinctive traits:

- 1. We focus on your **VALUE** (ability to invest in technical training and managerial developing jobs)
- 2. We focus on your **IDEAS** and your **AMBITION** (context in which you can innovate and realise your ideas)
- 3. We focus on your **WELL-BEING** (focus on health and safety but also on the quality of the working atmosphere)
- 4. We guarantee **CONSISTENCY** (we put ourselves out there in what we do and keep our promises)
- 5. We ensure **SUSTAINABILITY** (we go far beyond being sustainable, we play a leading role in the future of energy)
- 6. We are the **FUTURE** (within the company we always act with a medium-long term perspective, the nature of our assets encourages us to maintain a long-term vision for the benefit of the country)


The new Employer Value Proposition will be present throughout the entire people management funnel, starting with external communication channels but also extending within the company. It will engage the workforce, from training managers to ensure consistent interview and onboarding management, to implementing ambassadorship programmes that share the company's story externally, speaking directly through the voices of colleagues.

The new Employer Value Proposition will be supported by a dedicated campaign featuring a creative approach with a direct, fresh, and occasionally ironic tone (less formal), complemented by visuals that present our infrastructure assets in a new light, reinterpreting them in a playful and unexpected way.


The campaign is built around a multi-faceted creative approach spanning targets, messages, and channels (both traditional and social, with a focus on new generations) to maximise our reach among potential candidates. It follows a three-year, multi-channel communication plan that is both synergistic (external/internal), aiming to create a virtuous circle that enhances the value of both potential candidates and existing people within the company.

The **new Workday digital platform** (from 2026) will enable an evolution of the Talent Acquisition processes used, guaranteeing an increasingly seamless experience, enhancing our appeal to the new generations and offering new traceability features with increasingly precise KPIs.


The role of the individual (manager and team member) will be increasingly important to increase the visibility of job postings, both internally and externally.




**STUDIARE SERVE A UN TUBO**  
Join Snam, and work on projects where you can really leave your mark: with infrastructure managed across Italy and Europe as well as more than 38,000 km of pipelines, your efforts will have a far-reaching impact. And with the Snam Institute, you'll have the opportunity to take part in **training courses** designed for you, so you'll never stop learning, continuing to improve your skills and broaden your horizons.  
**You can bet on it.**



**ANDIAMO D'AMORE E RACCORDO**  
If you love what you do and want to turn your passion into a life project, join **Snam**. We connect networks and systems, we join together communities, we transport energy. With us, you'll find a **great atmosphere that you love**, and we'll work with you on something really big, to create a positive impact for the country. We'll make your heart beat faster for the future we'll build together.  
**We'll get along great, you'll see.**



**CI METTIAMO PRESSIONE PER LA PARITÀ DI GENERE**  
Within Snam, **we're serious about gender equality**: we believe that we are responsible for creating the conditions that enable **female talent** to flourish, which is why we support the study pathways of female STEM students, as well as championing women's empowerment.  
**And we do it with passion, every day. You can count on it.**



**LA NOSTRA RETE AL SERVIZIO DELLE MOLECOLE VERSI**  
Everyone is in favour of the **energy transition**, but without a **flexible, multi-molecule infrastructure** to transport tomorrow's energy, the game is over before it's even begun. Within the **Snam** network, we're all set to transport green molecules including **biomethane** and **hydrogen**. We are ready to go on the offensive to achieve a **sustainable future**, investing in technological solutions for **decarbonisation**, such as CO<sub>2</sub> capture and storage, and to promote **energy efficiency** in Italy.  
**We are the enablers of the energy transition: join the team.**



# EMPLOYEE STOCK OWNERSHIP PLAN 2025-2027

The Employee Stock Ownership Plan 2025-2027 is edicated to all employees and aims to consolidate Snam employees’ sense of belonging to the company and to encourage their **participation in the creation of the shared value**, aligning them with the interests of shareholders.

The Plan primarily supports the participation of Middle Managers, desk and non-desk workers in the corporate value creation.

Participation in the Plan, which is **voluntary**, provides for the possibility of receiving matching Shares and rights to the assignment of loyalty Shares subject to investment in Snam Shares for a maximum annual value of €2,065, through the use of own resources or through the conversion of the Company Performance Bonus, over the course of three annual awards in the years 2025, 2026 and 2027.

For Middle Managers, desk and non-desk workers, employees and managers, a one-off award of **25 Welcome Shares** is also foreseen only the first time people join the plan (one shot); **matching shares** and **welcome shares** will be subject to a **36-month Lock-up**.

The minumum amount that can be invested is 200 € while the maximum is:

- 16,000 € for MSR and Non-MSR Executives; and
- 8,000 € for Middle Managers, desk workers and non-desk-workers.

At the end of the 36-month lock-up period, Participants will be entitled to receive additional free shares (**loyalty shares**), equal to 10% of the shares (purchased and received as matching) for Executives and MSR; 25% of the shares for the rest of the company population. The allocation of loyalty shares will only occur in the event of voluntary acceptance of the restriction of unavailability and non-transferability for further 36 months.

The Plan, approved by the Board of Directors on 12 February 2025, will be submitted for approval to the Annual Shareholders’ Meeting called for May 14, 2025. For further details, please refer to the Plan Information Document, drawn up pursuant to Article 114-bis of Legislative Decree 24 February 1998 no. 58 (TUF) and Article 84-bis of the Regulation adopted by Consob with resolution no. 11971 of May 14, 1999 as subsequently amended and integrated (Issuers’ Regulation), published on the Company’s website in the “Governance/Remuneration” section and made public within the terms established by current legislation.

## PURCHASE WITH EMPLOYEES’ OWN RESOURCES

Category	Matching Shares
Chief Executive Officer	1 share regardless of purchased shares
MSR	1 free share for every 20 purchased
Executives	1 free share for every 10 purchased
Middle Managers, desk and non-desk workers	1 free share for every 4 purchased

## PURCHASE THROUGH CONVERSION OF COMPANY PERFORMANCE BONUS FOR MIDDLE MANAGERS, DESK AND NON-DESK WORKERS

Conversion/Investment	Matching Shares
75% of the Company Performance Bonus	1 free share for every 2 purchased with the Company Performance Bonus
50% of the Company Performance Bonus	1 free share for every 3 purchased with the Company Performance Bonus
25% of Company Performance Bonus	1 free share for every 4 purchased with the Company Performance Bonus

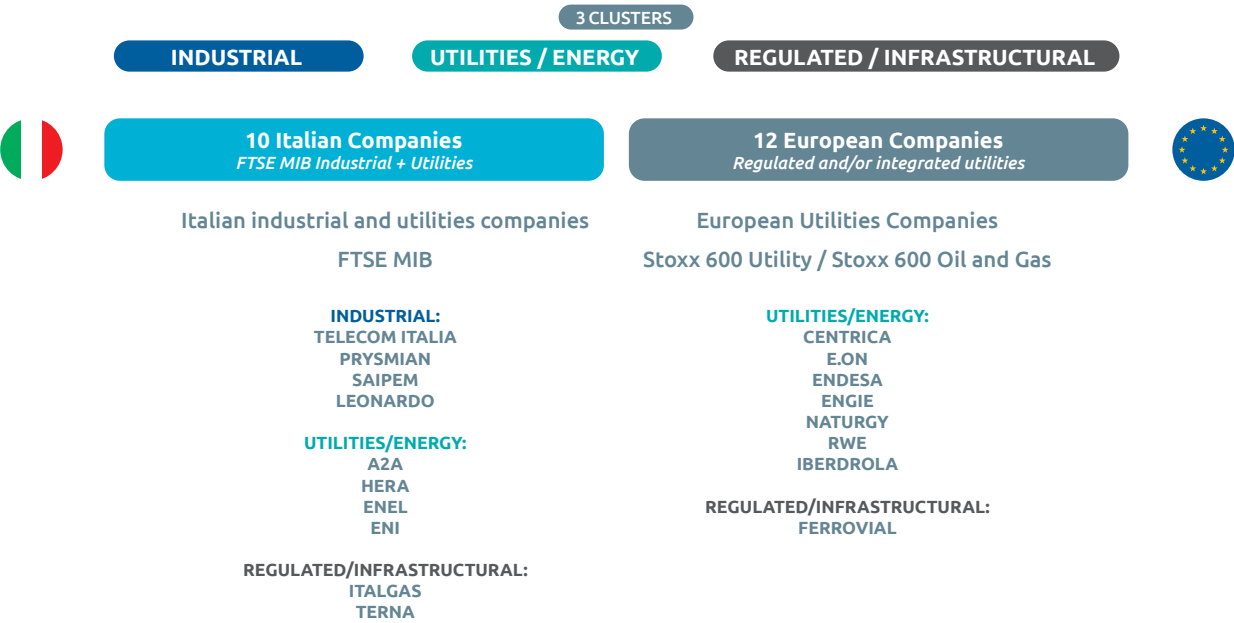


PEER GROUP

Snam regularly monitors market trends also by using remuneration benchmarks created by the main international players in order to verify the competitiveness of the remuneration offer.

For the remuneration benchmarking of the CEO, the Peer Group identified in 2024 is confirmed, equally, made up 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.

FIGURE 4 - CRITERIA AND PANEL SELECTED FOR CEO REMUNERATION BENCHMARKING



The panels for Managers with Strategic Responsibilities are **defined in accordance with the panel used for the CEO and taking into account** additional Italian and European companies related to the industrial sector and relevant to the attractiveness and retention of specific jobs.

The cluster of companies that are selected and provided with the support of leading international consulting firms, in order to have a broader representation of the market.



# 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 the Appointments and Compensation Committee composed of non-executive Directors, the majority of whom are independent, with proposing and advisory functions on the subject. In relation to remuneration and in line with the Snam rules of Corporate Governance, the Board of Directors<sup>5</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 Italian 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 Executive Director 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;





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.

The Board of Directors for the period 2022-2024 is composed of 7 directors, in addition to the Chairwoman (who has no executive functions and satisfies the independence requirements according to art. 2 recommendation 7 of the new Corporate Governance Code and art. 148, paragraph 3, of the TUF) and the Chief Executive Officer, for a total of 9 members. Of these, 6 possess the independence requirements required by art. 2 recommendation 7 of the new Corporate Governance Code and by art. 148, paragraph 3, of the TUF, and are part of the three internal Committees of the Board, as illustrated in the following figure. Within the Policy on Diversity of the Administrative and Control Bodies of Snam, criteria have been established for the qualitative and quantitative composition of the Board of Directors, in order to ensure effective performance of the tasks and responsibilities of the Board.

5 For more information on the Snam Governance structure, see the “2024 Report on Corporate Governance and Ownership Structures” published in the “Governance & Conduct” section of the Company’s website.



Role	Surname and Name		Appointments and Compensation Committee	Control, Risk and Related Parties Transactions Committee	Sustainability and Energy Transition Scenarios Committee
Chairwoman	Monica de Virgiliis				
	Massimo Bergami		M		M
Director	Laura Cavatorta			M	P
	Augusta Iannini			M	
Director	Piero Manzoni			P	

Role	Surname and Name		Appointments and Compensation Committee	Control, Risk and Related Parties Transactions Committee	Sustainability and Energy Transition Scenarios Committee
Director	Rita Rolli		P		M
	Qinjing Shen				M
Director	Alessandro Tonetti		M		
	Stefano Venier				

P: President    M: Member



The following also provides details on the functions and composition of the Appointments and Compensation Committee:

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 drafting the Remuneration Policy for directors, general managers, Managers with Strategic Responsibilities and, without prejudice to the provisions of the article 2402 of the Italian Civil Code, of the members of the supervisory body, also taking into account the remuneration practices widespread in the reference sectors and for companies of similar size, also considering comparable foreign experience and making use of the need for an independent consultant ;
- examines the content of the vote on the Remuneration Report expressed by the Shareholders' Meeting in the current year and expresses an opinion to the Board of Directors;
- formulates proposals relating to the remuneration of the President of the Board of Directors and the Chief Executive Officer, or of any additional administrative officers who hold special positions, with regard to the various forms of remuneration and economic treatment, including the setting of performance objectives related to the variable component of this remuneration, where applicable;
- 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: general criteria for the remuneration of Managers with Strategic Responsibilities; 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 targets, (coordinating with the Sustainability 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;

- 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 the decisions adopted by the Board with regard to what it decided following the exercise of the Committee's advisory and preliminary functions;
- 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>6</sup> last approved by the Board of Directors on 12 October 2022.

6 The regulation governing the Appointments and Compensation Committee is available in the "Committees" section of the Company's website.

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
Chairwoman (independent)	<div>Rita Rolli</div> <div></div>
Member (independent)	<div>Massimo Bergami</div> <div></div>
Member	<div>Alessandro Tonetti</div> <div></div>

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

Committee Activity Cycle

The Appointments and Compensation Committee meets periodically and as frequently as necessary to carry out its functions, according to an annual calendar that typically follows the following cycle of activities:



## 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 Related Party 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 discontinuity in the organisation of the business, whether linked to extraordinary transactions, such as mergers and divestitures, including of companies/business units, or linked to significant changes of 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 2025 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 (MBO Plan), in relation to the criteria for measuring performance objectives, the relative weights, the level of achievement of the same, the prediction of any;**
- **deferral mechanisms, in relation to ex post correction mechanisms (claw-back);**
- **long-term variable component (LTI Plan), 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.**



# REMUNERATION POLICY GUIDELINES 2025

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

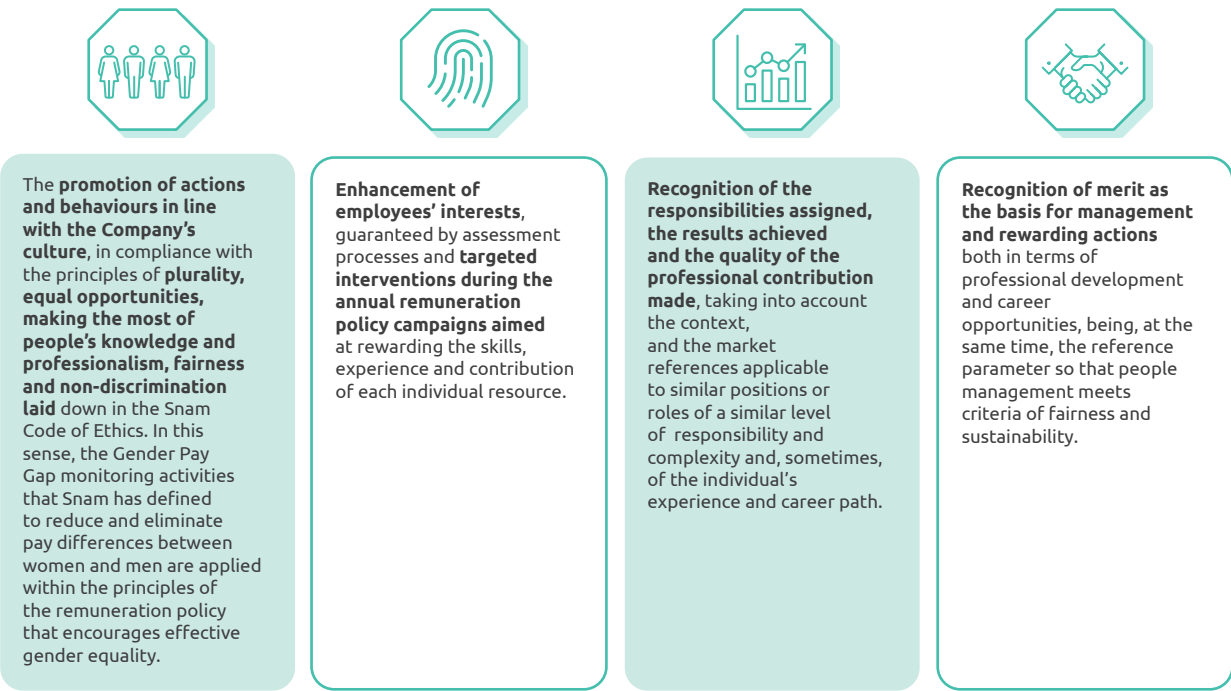
The Snam Remuneration Policy is defined in accordance with the Governance model adopted by the Company and with the recommendations of the Corporate Governance Code, with a view to attracting and retaining staff with high professional and managerial skills and aligning the interests of management with 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 for 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 (Clawback clauses);
- 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.

FIGURE 5 - PRINCIPLES AND INITIATIVES OF SNAM'S REMUNERATION POLICY

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:



Remuneration policy

The Guidelines of the 2025 Remuneration Policy , hereinafter also “ Guidelines”, are defined in continuity with what was established in 2024 and in accordance with the purposes and general principles stated and have been evaluated by the Appointments and Compensation Committee, consistent with the applicable market references.

The remuneration tools provided for in the People Reward Policy are summarised and explained by the following figure:

FIGURE 6 - SNAM'S PEOPLE REWARD POLICY



# REMUNERATION OF THE BOARD OF DIRECTORS, COMMITTEES AND THE BOARD OF STATUTORY AUDITORS

The Board of Directors appointed for the 2022-2024 term, after the opinion of the Appointments and Compensation Committee, defined the compensation for the various positions within the Board of Directors, Committees and Board of Statutory Auditors, as described below.

Body	Role	Remuneration (Gross per annum, euros)
Board of Directors	Chairwoman	310,000 <sup>7</sup>
	Non-executive Director	70,000
Appointments and Compensation Committee	Chairwoman	25,000
	Member	20,000
Control, Risk and Related Parties Transactions Committee	Chairman	35,000
	Member	25,000
Sustainability and Energy Transition Scenarios Committee	Chairwoman	25,000
	Member	20,000
Board of Statutory Auditors	Chairman	80,000
	Statutory Auditor	60,000

The competitiveness of the defined remuneration is verified annually through remuneration benchmarking analysis compared to the reference Peer Group.

The Board of Directors appointed for the 2025-2027 term will determine, in accordance with the decision-making process described, the compensation for the position of President of the Board of Directors, the participation of the Directors in the internal Board Committees, as President or Member. It is understood that the Board of Directors may vary the compensation, if necessary, with respect to what was decided for the 2022-2024 mandate, also taking into account specific market benchmarking. It is also understood that given the nature of the office, there are no agreements on severance indemnity and benefits.

7 Including the remuneration set by the Shareholders’ Meeting for the Directors of €70,000 gross per annum.



With reference to the Board of Statutory Auditors, the Shareholders' Meeting to be held on May 14, 2025 will appoint the Board of Statutory Auditors for a term of three financial years expiring on the date of the Meeting to be convened for the approval of the Financial Statements expiring on December 31, 2027. At the same shareholders' meeting, the remuneration for the President and the remuneration for each effective member of the Board of Statutory Auditors will be submitted for approval.

The President remuneration structure consists of a fixed remuneration in line with the role held. The remuneration of non-executive Directors is commensurate with the commitment required in relation to participation in the Board Committees, with the remuneration of the President being differentiated from the members of each Committee, in consideration of the role, to these attributes are responsible for coordinating the work and liaising with corporate bodies and corporate functions. Depending on the nature of the position , there are no: i) short-term or long-term variable incentive components ; ii) benefits <sup>8</sup>.

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 8 with reference to insurance coverage).

## Severance indemnity and benefits

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

8 It should be recalled that on April 18,2008, 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 April 2, 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.

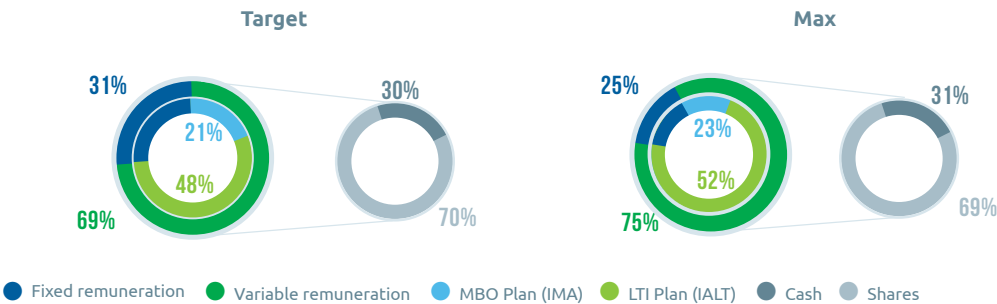


# REMUNERATION OF THE CHIEF EXECUTIVE OFFICER

For the Chief Executive Officer, 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 linking 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.

The competitiveness of the compensation package is verified annually through remuneration benchmarking analysis compared to the reference Peer Group.

FIGURE 7 - PAY-MIX OF THE CEO



## Fixed remuneration

The fixed remuneration of the Chief Executive Officer, based on the evidence presented by the Appointments and Remuneration Committee to the Board of Directors at its meeting of June 30, 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 gross annual remuneration for the position of General Manager, equal to 680,000 euros.

The Board of Directors appointed for the 2025-2027 term will determine, in accordance with the decision-making process already described, the remuneration pursuant to art. 2389, paragraph 3 of the Italian Civil Code for the position of Chief Executive Officer and the remuneration envisaged for the position of General Manager. It is understood that the Board of Directors may vary the compensation, if necessary, with respect to what was decided for the 2022-2024 mandate, also taking into account specific market benchmarking.

As a Snam manager, the Chief Executive Officer is reimbursed expenses and allowances for geographic mobility and 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

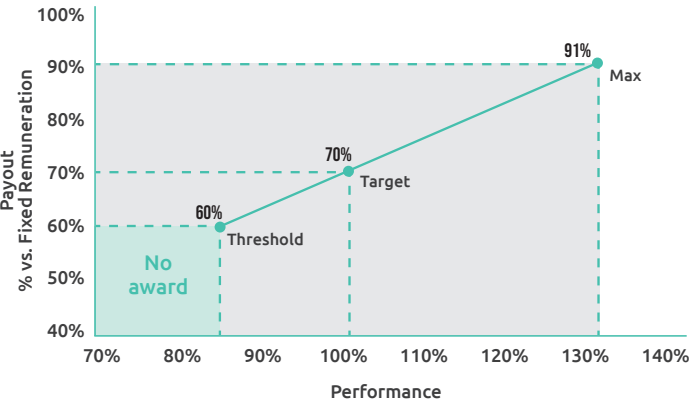
Variable remuneration is structured into a short-term component and a long-term share-based component with a view to assuring the sustainability of results and the creation of value for shareholders in the medium/ long term.

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 remuneration

The annual variable component for the Chief Executive Officer (MBO Plan) is determined in connection with the results achieved by Snam in the previous financial year with respect to the defined objectives and with reference to a minimum incentive level (performance = 85), target (performance = 100) and maximum (performance = 130), respectively equal to 60%<sup>9</sup> (threshold), 70% (target) and 91% (maximum) of the fixed remuneration, as shown in the following image.

FIGURE 8 - SHORT-TERM VARIABLE REMUNERATION FOR THE CEO INCENTIVE CURVE



<sup>9</sup> The minimum figure remains the same as last year, amounting to 59.5% of the Chief Executive Officer's fixed remuneration. This value has been approximated to the unit (by default in the case of digits from zero to four and by excess in the case of digits from five to nine).

FIGURE 9 - MBO SCORECARD 2025 OBJECTIVES FOR THE CHIEF EXECUTIVE OFFICER

	Objective	Description	Weight	Scenarios	Performance	Score
Business Objectives	<b>Adjusted EBITDA<sup>(*)</sup> (€/mln)</b>	An acronym for Earnings Before Interest Taxes Depreciation and Amortisation, which in Italian is often translated as gross operating margin, is an indicator that represents the profitability of operating management.	30%	Minimum Target Maximum	Target Budget -2% Target Budget +1% Target Budget +2%	70 100 130
	<b>Gas Infrastructure investments/1 Spending: Regulated Gas Infrastructure</b>	Value of the technical investments of the gas infrastructure (transport, storage, regasification). Measured to “centre” the budget value.	10%	Minimum Target Maximum	Target Budget +/- 6% Target Budget +/- 4% Target Budget +/- 2%	70 100 130
	<b>Gas Infrastructure Investments/2 Milestones main projects</b>	These are the main investment projects related to transport, storage and LNG activities.	10%	Minimum Maximum Target	2 Milestones reached out of 4 3 Milestones reached out of 4 4 Milestones reached out of 4	70 100 130
	<b>Energy security projects</b>	Projects aimed at enhancing the security of gas supply in Italy, including the FSRU Ravenna, the Adriatic Line and the increased supply capacity at Sergnano and Ripalta.	15%	Minimum Target Maximum	1 project out of 3 2 projects out of 3 3 projects out of 3	70 100 130
	<b>Non Regulated Business – Milestones Achieved<sup>(*)</sup></b>	These are major projects related to Biomethane and Energy Efficiency and Decarbonisation Projects.	15%	Minimum Target Maximum	A scorecard weighs the achievement of each objective in the Non-Regulated Business area	
Sustainability objectives	<b>Sustainability/1 IpFG<sup>(*)</sup>(**)</b>	Weighted index of frequency and severity of accidents of employees and contractors. It takes into account both the frequency of total accidents recorded in relation to the number of hours worked and the severity based on days of absence in relation to the number of hours worked and is calculated by adding and weighing the two indices (IF and IG).	10%	Minimum Target Maximum	0.8 0.55 0.4	70 100 130
	<b>Sustainability/2 Sustainable Finance (%) (*) (***)</b>	% of sustainable funding.	5%	Minimum Target Maximum	80% 90% 100%	70 100 130
	<b>Sustainability/3 ESG criteria in supply chain scoring model<sup>(*)</sup></b>	Percentage of the procured awarded through tenders with ESG criteria within the scoring model.	5%	Minimum Target Maximum	40% 45% 50%	70 100 130

<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 from 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 2025 (over 24 months), excluding 2025 pre-funding activities already finalised as at 31.12.24. The target and maximum perimeter also includes potential new M&A funding in ESG format.

The corporate objectives for 2025, approved by the Board of Directors of March 19, 2025 and directly attributed to the Chief Executive Officer, are focused on economic and financial performance and operations of the Company, on gas infrastructure investments, on energy security projects , on the development of new businesses, as well as on sustainability issues.

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 MBO Plan does not provide for the provision of any incentive if all business objectives are not achieved.

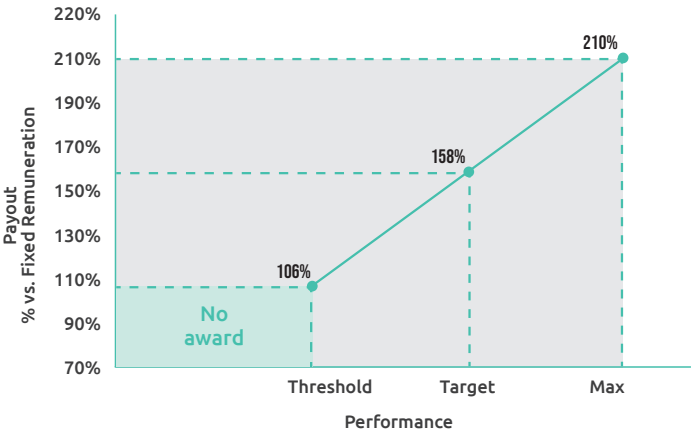
Long-term variable remuneration<sup>10</sup>

The third cycle 2025-2027 of the Long-Term Stock Incentive Plan, approved by the Shareholders' Meeting on May 4, 2023, will be assigned during 2025. The share plan is divided into three annual allocations of shares (so-called rolling plan), each of which corresponds to a three-year reference period for performance (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.

At the end of the vesting period , an additional number of shares, called dividend equivalent, are expected to be assigned, calculated as the equivalent value of unused dividends compared to the number of shares actually accrued. The plan also provides for a two-year lock up on 20% of the assigned shares, gross of those necessary to meet tax burdens.

Snam is aware of the dilution of capital that may result from the assignment of share-based incentive instruments to its employees. Therefore, it should be noted that for this purpose Snam only uses own shares to finance its long-term equity incentive plans.

FIGURE 10 - LONG-TERM VARIABLE REMUNERATION FOR THE CEO INCENTIVE CURVE



<sup>10</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 official methodology.





The performance conditions valid for the third cycle of assigning the Plan are related to the following parameters:

FIGURE 11 - LTI PLAN 2025- 2027 SCORECARD

	Objective <sup>(*)</sup>	Description	Weight	Scenarios	Performance (absolute values)	Performance (% vs. target)	Payout (% of accruing rights)
Business Objectives	Adjusted net profit	Calculated as the sum of adjusted net profit for the years 2025, 2026 and 2027.	40%	Minimum Target Maximum	€4,163 mln €4,205 mln €4,311 mln	99% 100% 103%	27% 40% 53%
	Value Added relating to the period 2025-2027	Reflects the value generation of the regulated business calculated as the change in RAB in the period 2025-2027, plus dividends distributed, treasury shares repurchased and reduced by the change in net debt <sup>(**)</sup> .	20%	Minimum Target Maximum	€2,888 mln €2,949 mln €3,040 mln	98% 100% 103%	13% 20% 27%
	Energy Transition Readiness/1 Km H2 ready	Third-party certification of “H2 Ready” status and/or characterisation through metallurgical tests of “H2 ready” gas pipelines over a certain number of kilometres.	10%	Minimum Target Maximum	3,000 km 3,200 km 3,400 km	94% 100% 106%	7% 10% 13%
	Energy Transition Readiness/2 MW installed biomethane <sup>1</sup>	Base MW development installed in the biomethane business.	5%	Minimum Target Maximum	74 MW 78 MW 82 MW	95% 100% 105%	3% 5% 7%
	Energy Transition Readiness/3 CCS and H2 projects and market design	Development of decarbonisation projects and definition of the H2 and Ccs business model.	5%	Minimum Target Maximum	1 out of 2 milestones reached 2 out of 3 milestones reached 3 out of 4 milestones reached	50% 100% 150%	3% 5% 7%
Sustainability Objectives	Sustainability/1 Reduction in natural gas emissions	Reduction of 2027 natural gas emissions compared to 2015 values (bcm/scm) <sup>(***)</sup> .	10%	Minimum Target Maximum	-60.5% -62.5% -64.5%	97% 100% 103%	7% 10% 13%
	Sustainability/2 Gender Diversity in Management	Fair representation in terms of gender diversity in Snam's management structure <sup>(****)</sup> .	10%	Minimum Target Maximum	27.0% 27.5% 29.0%	98% 100% 105%	7% 10% 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> Referring to the perimeter: SNAM SPA, SNAM RETE GAS, STOGIT, GREENTURE, BIOENERYS AGRI, TEP, GNL ITALIA, CUBOGAS, BIOENERYS AMBIENTE, SNAM INTERNATIONALB.V., GASRULE, ENURA.

<sup>1</sup> If during the three-year cycle a sale of the Bioenerys shareholding were to occur in compliance with the provisions of resolution no. 140/2023/R/Gas of 4 April 2023 issued by the Regulatory Authority for Energy, Networks and the Environment, the Minimum, Target and Maximum parameters will be redefined by applying a linear interpolation mechanism starting from the final data at 12/31/2024 (equal to 40MW) and with an arrival point of 12/31/2027. It will thus be possible to compare the MW installed at the time of the sale of the aforementioned participation with the new reference parameters, thus establishing the performance level according to a pro-rata temporis approach. For example, the performance level will be determined at the time of sale (t). Further details in the glossary.

Terms and severance indemnity and non-competition agreements

In accordance with the reference market practice, a severance indemnity is provided for the Chief Executive Officer (CEO) for the termination of the directorship and executive positions.

For the Chief Executive Officer, upon the simultaneous termination of both such relationships, in connection with the non-renewal of the office upon its expiry or with the early termination of the office, in line with market benchmarks and the voting guidelines of the Proxy Advisors, there is a CAP to the severance calculated as two years of the annual fixed remuneration integrated by the average MBO paid in the last three years, including any indemnity in lieu of notice period and any non-competition and/or non-solicitation agreement. The indemnity is not payable if the employment contracts are terminated for just cause (giusta causa) or due to dismissal with notice on subjective grounds involving the notion of justifiability (giustificatazza) as defined by the collective agreement or in the event of voluntary resignation. No provision is made for assigning or retaining non-cash benefits for a period after termination of the relationship.

The consequences 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 non-renewal of the office, or loss of control by Snam S.p.A. in the company of which the CEO is

an employee, or sale to a company that is not a subsidiary of the parent company (or of a business unit) of which the CEO is an employee, occurring during the vesting period, the incentive will be awarded at the end of the vesting period and in relation to the period comprised between the grant 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 will be paid in the fixed amount of 133% of the allocated incentive, corresponding to the maximum level of the assignable incentive;
- in cases of dismissal for just cause (giusta causa) and/or revocation for just cause (giusta causa) that occurs during the vesting period, the incentive will not be assigned;
- in the event of voluntary resignation by the Chief Executive Officer which occurs during the vesting period, the incentive will not be assigned.

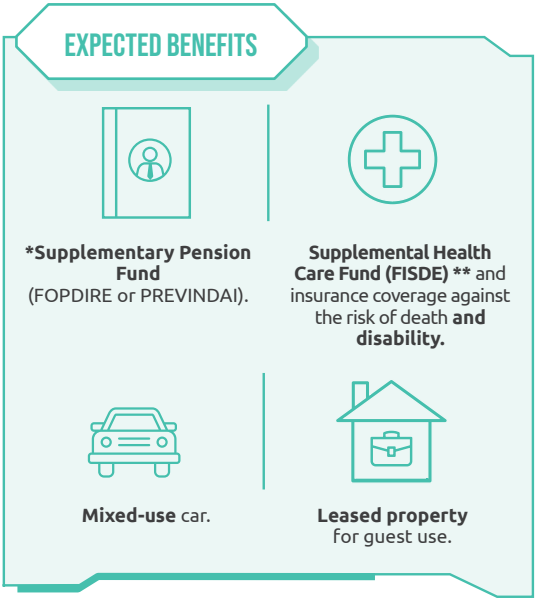
Snam reserves the right to consider entering into self-employment and/or consultancy relationships upon termination of the professional/employment relationship, where this responds to the need to continue to avail itself, in the company’s interest, for a limited period of time following termination of the relationship, of the skills and contribution of the director and for the performance of specific and predetermined activities (in exchange for a fee based on the object and scope of the activity requested).

Non-compete agreements are not in place for the Chief Executive Officer.

Benefits

Benefits are defined in line with the practices of the relevant compensation markets and in accordance with current regulations , in order to complete and enhance the overall compensation package taking into account the roles and/or responsibilities assigned.

Therefore, in line with the provisions of the national bargaining and the supplementary corporate agreements for Snam’s management, the Chief Executive Officer has the following benefits:



\* Contractual pension fund with defined contributions and individual capitalisation, [www.fopdire.it](http://www.fopdire.it).  
\*\* 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/Previgen), supplementary to the FISDE.

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 their Annual 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 their tenure. This tool ensures alignment between the long-term interests of senior management with those of shareholders.

Should a new manager be appointed as Chief Executive Officer subsequent to the policy’s effective date, they 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.

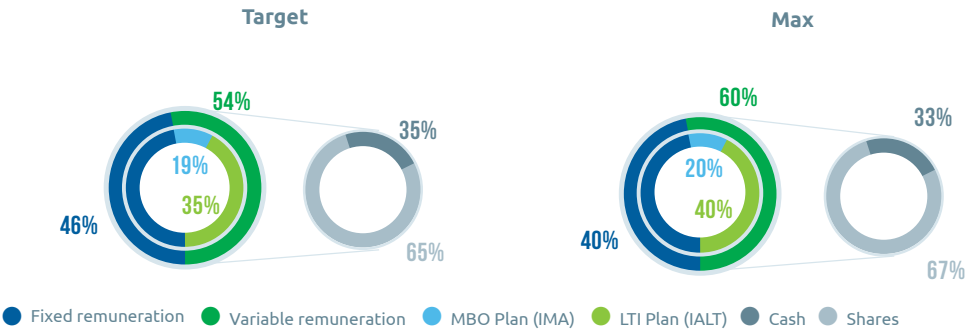
## REMUNERATION OF MANAGERS WITH STRATEGIC RESPONSIBILITIES

As at the date on which this Report is approved, as of January 1, 2024, 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 & Corporate Services Officer, and Chief Strategy and Technology Officer.

The compensation structure of Managers with Strategic Responsibilities is confirmed to be aligned with that of the Chief Executive Officer, with a fixed component appropriate to the responsibilities assigned and a variable component defined within maximum limits and aimed at anchoring their remuneration to the defined performance.

The competitiveness of the remuneration packages is verified annually through remuneration benchmarking analysis with respect to reference panels.

FIGURE 12 - PAY-MIX OF MANAGERS WITH STRATEGIC RESPONSIBILITIES



### Fixed remuneration

The fixed remuneration is determined based on the role and responsibilities assigned, also taking into account the pay levels found in the reference market and, at times, the experience and professional career of the individual.

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 2024, the guidelines for 2025 provide selective criteria while however maintaining high levels of attractiveness, competitiveness and motivation consistent with the pay-for-performance principle.

As Snam executives, like the Chief Executive Officer, Managers with Strategic Responsibilities also receive expense reimbursement and allowances for geographic mobility and for travel undertaken domestically and abroad, in line with the provisions of the relevant national collective bargaining agreement and supplementary company agreements.

### Variable remuneration

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.

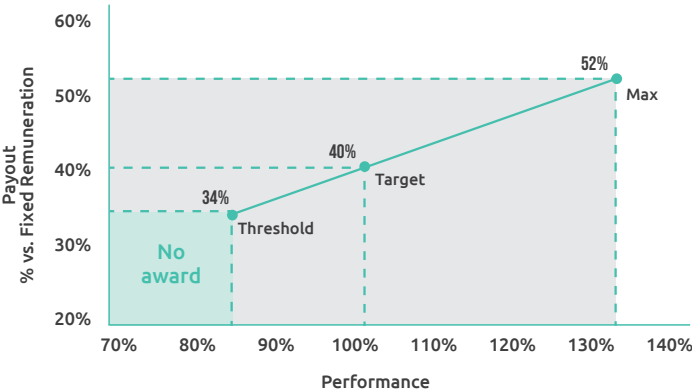
The assessment of the assigned performance objectives is carried out net of the effects of the exogenous variables deriving from the evolution of the reference scenario, in order to enhance the effective individual contribution to the achievement of the assigned performance objectives.

### Short-term variable remuneration

The annual variable component for Managers with Strategic Responsibilities is determined in connection with the results achieved by Snam in the previous year with respect to the objectives defined and differentiated according to the role held, and with reference to a minimum incentive level (performance = 85), target (performance = 100) and maximum (performance = 130), with payouts equal to 34% (threshold), 40% (target) and 52% (maximum) of fixed remuneration, respectively.

The annual variable incentive for Managers with Strategic Responsibilities is determined for 60% by business results with respect to the objectives assigned to the Chief Executive Officer by the Board of Directors and 40% by individual/role objectives. The individual/role objectives are focused on economic/financial, operational and industrial performance, on internal efficiency, on issues related to the managerial skills model assigned in relation to the scope of responsibility of the role held, in line with the provisions of the Company's Performance Plan.

FIGURE 13 - SHORT-TERM VARIABLE REMUNERATION FOR MANAGERS WITH STRATEGIC RESPONSIBILITIES INCENTIVE CURVE



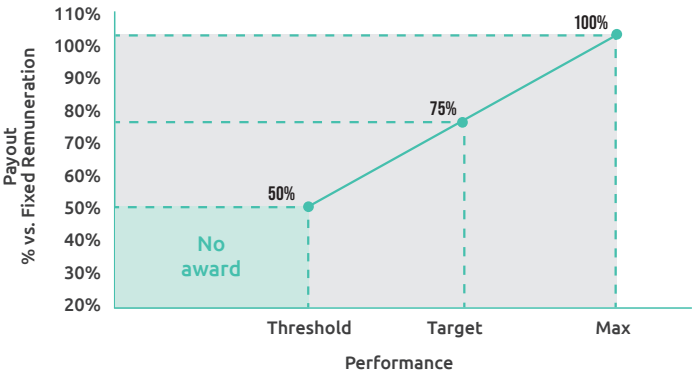


Long-term Variable Remuneration

Managers with Strategic Responsibilities are, as a rule, recipients of the rolling Long-Term Incentive Share Plan (LTI Plan), which provides for three annual allocations of shares, each of which corresponds to a three-year reference period for performance ( 2023-2025, 2024- 2026, 2025-2027). For each assignment, any incentive paid will have a value of 50% as the threshold level, 75% as the target, and 100% as the 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, called dividend equivalent, are expected to be assigned, calculated as the equivalent value of unused dividends compared to the number of shares actually accrued. The plan also provides for a two-year lock up on 20% of the assigned shares, gross of those necessary to meet tax burdens.

FIGURE 14 - LONG-TERM VARIABLE REMUNERATION FOR MANAGERS WITH STRATEGIC RESPONSIBILITIES INCENTIVE CURVE



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

Terms and severance indemnity

For Managers with Strategic Responsibilities, there are no non-competition agreements and/or non-solicitation agreements in place. In line to what is provided and regulated for the Chief Executive Officer and in line with best practices in the Italian market, a cap to the severance has also been established for Managers with Strategic Responsibilities (MSR), calculated as two years of the annual fixed remuneration integrated by the average of the annual cash incentive (MBO Plan) paid in the last three years, including any indemnity in lieu of notice period and any non-competition and non-solicitation agreements.

The indemnity is due only in cases of termination of employment relationships by mutual agreement.

The consequences 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 of a business unit) of which the Beneficiary is an employee, occurring during the vesting period, the incentive will be awarded to the beneficiaries at the end of the vesting period and in relation to the period comprised between the grant 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 will be paid to the beneficiaries in the fixed amount of 133% of the allocated incentive, corresponding to the maximum level of the assignable incentive;
- in cases of dismissal for just cause (giusta causa) that occurs during the vesting period, the incentive will not be assigned;
- in the event of voluntary resignation by the Beneficiary which occurs during the vesting period, the incentive will not be assigned.

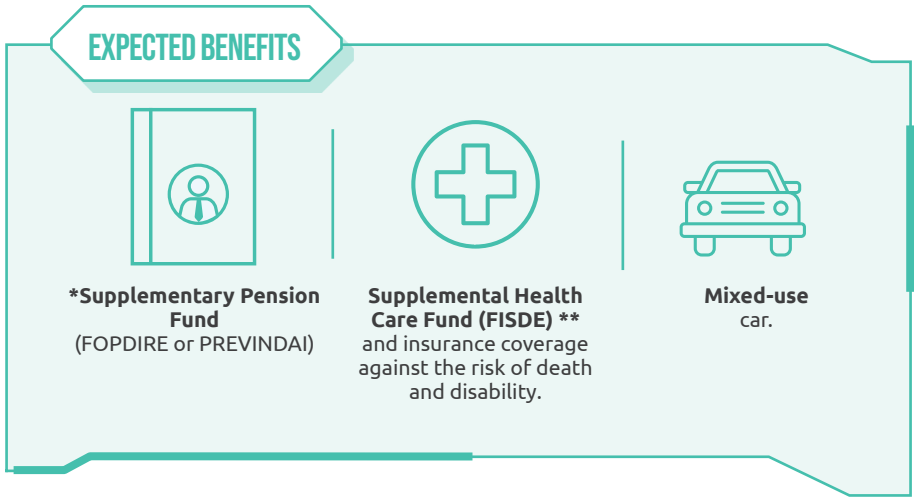
With the figures to which the Policy is referred, Snam reserves the right to consider entering into self-employment and/or consultancy relationships upon termination of the professional/employment relationship, where this responds to the need to continue to avail itself, in the company's interest, for a limited period of time following termination of the relationship, of the skills and contribution of the director and/or the Manager with Strategic Responsibilities and for the performance of specific and predetermined activities (in exchange for a fee based on the object and scope of the activity requested).

Additional items

In order to promote the acquisition of resources with high managerial seniority and/or with specific skills considered critical to the business and essential for achieving the Group's strategic objectives, only when the above-mentioned circumstances occur, it is possible to pay Entry Bonuses to Managers with Strategic Responsibilities for future recruitment (in monetary form) within the limit of once the annual fixed salary and subject to specific return clauses. 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. Additional bonuses or one-off discretionary bonuses are excluded.

Benefits

Benefits are defined in line with the practices of the relevant compensation markets and in accordance with current regulations, in order to complete and enhance the overall compensation package taking into account the roles and/or responsibilities assigned. Therefore, in line with the provisions of the national bargaining and the supplementary corporate agreements for Snam management, the following is provided for Managers with Strategic Responsibilities:



\* Contractual pension fund with defined contributions and individual capitalisation, [www.fopdire.it](http://www.fopdire.it).  
\*\* 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/Previgen), supplementary to the FISDE.

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.

- During 2015, the Appointments and Compensation Committee prepared a document that explains the process and the responsibilities associated 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.
- 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.



# SECTION II REMUNERATION REPORT 2024



# TABLE OF CONTENTS



<b>SECTION II</b>			
<b>REMUNERATION REPORT 2024</b>	<b>55</b>	<b>REMUNERATION PAID IN 2024</b>	<b>64</b>
IMPLEMENTATION OF 2024 REMUNERATION POLICIES	57	Table 1 - Remuneration paid to Directors, Statutory Auditors and Managers with Strategic Responsibilities	64
Activities of the Appointments and Compensation Committee during 2024	57	Table 2 - Stock options assigned to Directors and Managers with Strategic Responsibilities	65
Summary of 2024 Remuneration Benchmarking Analysis Results	58	Table 3a - Incentive plans based on financial instruments, other than stock options, in favour of Directors and Managers with Strategic Responsibilities	66
Fixed remuneration and remuneration for participation in Board Committees	58	Table 3b - Monetary incentive plans for Directors and Managers with Strategic Responsibilities	67
Variable remuneration	59		
Long-term share-based incentive plan	60		
LTI Plan 2022-2024	60		
Benefits	61	<b>EQUITY INVESTMENTS HELD</b>	<b>68</b>
Derogations	61		
Claw-back mechanisms	61	<b>STERILISATION RULES FOR SHORT-TERM INCENTIVE PLANS (MBO) AND LONG-TERM INCENTIVE PLANS (LTI)</b>	<b>69</b>
Comparison information between remuneration of the Board of Directors, the Group's results and the average remuneration of Snam employees	61		

# IMPLEMENTATION OF 2024 REMUNERATION POLICIES

Below is a description of the implementation for the year 2024 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 2024 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 2024 Policy was essentially in line with the known market benchmarks.

The following pages also show the 2024 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 2025. 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 2024 Remuneration Policy, the Appointments and Compensation Committee took into account the vote and assessments made at the Shareholders' Meeting held on May 7, 2024 on Section II of the Policy on Remuneration and remuneration paid, valid for FY 2023, which received favourable votes equal to 97.8% 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.

## Activities of the Appointments and Compensation Committee during 2024

During 2024, the Appointments and Compensation Committee met a total of 12 times with an average attendance of 100%. In addition to the members of the Committee, the Chair of the Board of Statutory Auditors or a Statutory Auditor designated by the latter usually 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 in Figure 15.

FIGURE 15 - ACTIVITIES OF THE APPOINTMENTS AND COMPENSATION COMMITTEE DURING 2024



Details of the Committee's activities in 2024 can be found in the Corporate Governance Report 2024.

For 2025, the Committee has defined its own calendar and, as of the date of approval of this Report, has already held 6 meetings. The meetings already held focused, among other things, on the following topics:

- examination of the Remuneration Report 2025;
- analysis of remuneration benchmarking results and definition of the 2025 Policy;
- performance review of the 2024 corporate results with reference to the 2024 annual monetary incentive for the Chief Executive Officer and the long-term equity incentive 2022-2024;
- definition of performance objectives for the 2025 management by objectives Plan and the 2023-2025 Long Term Share Incentive Plan (LTI Plan), third cycle 2025-2027;
- definition of a Employee Shareownership Plan for all employees;
- introduction of a succession plan for the Leadership Team for 2027-2029.



Summary of 2024 Remuneration Benchmarking Analysis 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.

Specifically, for the purpose of compensation benchmarking, starting from the Chief Executive Officer's Peer Group as defined in the 2024 Remuneration Policy:

- in order to take into account the specificities of the Corporate Governance model, for the Board of Directors (Chairwoman and non-executive Members) and for the Board of Statutory Auditors (President and Statutory Auditors), the Peer Group companies belonging to the FTSE MIB index have been selected;
- the panels for Managers with Strategic Responsibilities are defined in accordance with the parameters used to choose the panel for the Chief Executive Officer and considering additional Italian and Pan-European companies related to the industrial sector and relevant to the attractiveness and retention of specific roles;
- for the role of Executive Director Internal Audit, a panel of Italian companies belonging to the industrial sector has been identified.

The panels are selected with the support of leading international consulting firms, in order to have a broader representation of the market.

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

Chief Executive Officer	Between first quartile and median
Board of Directors	
Chairwoman	Between first quartile and median
Non-executive members	Median
Board of Statutory Auditors	
Chairman	Median
Auditors	Between first quartile and median
Managers with Strategic Responsibilities	Between median and third quartile
Executive Director Internal Audit	Between first quartile and median

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 April 27, 2022, for the year 2024. Furthermore, they were paid additional fees for their participation in Board Committees, as determined by the Board of Directors on June 30, 2022. The specifics of these fees are outlined in Table 1, under the section “Fees 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 April 27, 2022.

Fixed remuneration approved by the Board of Directors during the meeting of June 30, 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 2024 to the fixed remuneration, where it was the case to adjust remuneration levels in line with reported market references. For 2024, the amount at the aggregate level corresponding to the Gross Annual Salary of Managers with Strategic Responsibilities was €2,426,343.

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 remuneration <sup>11</sup>

Short-term variable remuneration

The short-term variable incentive will be paid, with regard to the Chief Executive Officer, based on the company’s performance in 2024, 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.

ACHIEVING ANNUAL MONETARY INCENTIVE 2024 (MBO PLAN /IMA)

IMA 2024 CEO scorecard		Minimum value	Target value	Maximum value	Actual value	Minimum score	Target score	Maximum score	Achieved score
adjusted EBITDA (€Millions)(*)		2,636	2,717	2,744	2,753	21	30	39	39
Gas Infrastructure Investments	Regulated Gas Infrastructure Spending(€/mln)	-7%: 1,879 +7%: 2,162	-5%: 1,920 +5%: 2,122	-3%: 1,960 +3%: 2,081	2,014	7	10	13	13
	Milestone achievement of the main projects (activities carried out)	2 out of 4	3 out of 4	4 out of 4	4 out of 4	4	5	7	13
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	1 out of 3	2 out of 3	3 out of 3	3 out of 3	14	20	26	19.50
Unregulated businesses Milestone Achievement & Final Recertification   Snam Rete Gas	Energy Efficiency (Gross Margin €/mln)(**)	22.6	28.5	33.9	32.0	4	5	7	5.96
	Biomethane: Production in millions of Smc of Biomethane	13.7	17.1	20.5	17.3	4	5	7	5.12
	Decarbonisation Projects: Ravenna CCS		On/Off		Maximum	4	5	7	6.50
Sustainability	IPFG	0.80	0.55	0.40	0.55	7	10	13	9.96
	Sustainable Finance (€/mln)	80%	90%	100%	100%	4	5	7	6.50
	Sustainable Supply Chain - ESG criteria in tenders% of the proxy awarded through tenders with ESG criteria in the scoring models	30%	35%	40%	42.4%	4	5	7	6.50
Total weighted score						70	100	130	125

(\*) The Adjusted EBITDA objective was remodelled in accordance with the Sterilisation Rules (p. 68) by EUR -18.8 million.  
(\*\*) The Energy Efficiency target (Gross Margin €/mln) has been remodelled in accordance with the sterilisation rules (p.68) for EUR -14.3 million.

11 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 official methodology.

The results achieved by Snam in 2024, approved by the Board of Directors on the proposal of the Appointments and Compensation Committee at its meeting of 19 March 2025, led to an overall performance score of 125 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 €787,774, which will be paid during 2025 and which corresponds to 87.5% 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 an overall incentive of € 1,202,896 and an average incidence, compared to the fixed annual salary, of 48% <sup>12</sup>.

Long-term share-based incentive plan<sup>13</sup>

LTI Plan 2022-2024

The Board of Directors of March 19, 2025, upon proposal of the Appointments and Compensation Committee, resolved the final accounting of the incentive connected to the third 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 July 1, 2025 in the manner described in the Information Document and in the Plan Regulation.

The score achieved led to the CEO receiving an incentive equal to 131% of the Target level, equivalent to 362,729 Snam shares. Considering the value of the Snam share on the award date, the overall bonus accrued for the 2022-2024 LTI cycle is equal to 1,777,372 euros (\*), which will be paid during 2025.

12 Remuneration was represented by reference to the Managers with Strategic Responsibilities of Snam (8) at 31/12/2024.  
13 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 official methodology for determining the allocation of the long-term equity incentive plan.  
(\*) Calculated at the Fair Value of the Snam share on the award date of the 2022-2024 cycle (€4.90).



For Managers with Strategic Responsibilities, a number of shares amounting to 297,985 were determined, the economic equivalent value of which represents an average incidence on fixed remuneration of 75%.

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:

ACHIEVING LTI OBJECTIVES (LTI PLAN 2022 - 2024)

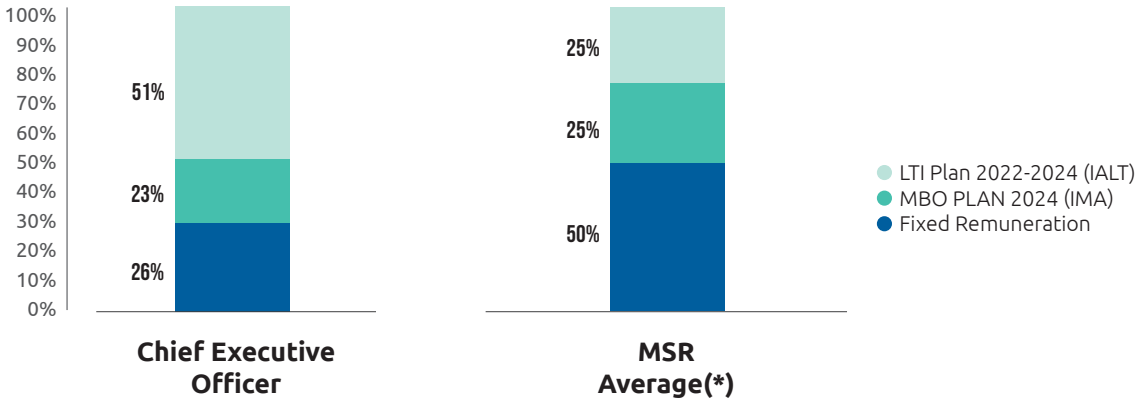
LTI 2022-2024 scorecard	Minimum value	Target value	Maximum value	Actual value	Achieved score
Value Added 2024 compared to 2021 (€ Million)(*)	1,641	1,676	1,728	2,100	40
Cumulative ADJ Net Profit over three years (2022 - 2024) (€/mln) (**)	3,351	3,385	3,469	3,620	67
Emissions (reduction 2024 compared to 2015 values) (bcm/scm)	-52.2%	-53.5%	-54.9%	-62.4%	13
Diversity - (% of female managers and managers in 2024 out of total managers and company managers)	25.0%	26.0%	27.5%	26.5%	11
				Total score reached	131

(\*) The total value of the remodulations has a positive impact on the final tabulation and is worth -€192.2 million, or about 9.2% of the Value Added 2022-2024. In the final analysis, adjustments related to the KPI calculation methodology are applied, which reflects the generation of value of the regulated business. To this end, the Value Added target defined in 2021 was revised by excluding the effects of the Energy Transition business development (-€817.7 million), the impact of the convertible (+€381.0 million) and the impact of the investees (-€259.6 million), as well as by applying the planned sterilisations.  
(\*\*) The total number of sterilisations has a negative impact on the final balance sheet of the card and is worth 168.9 million euros, equal to about 4.7% of the final net profit of 2022 and 2024, mainly linked to an increase in the regulated WACC compared to what was planned for the year 2024. More specifically, the Strategic Plan used for the target setting provided for a flat WACC at 5.1% (for the transport business) for the years 2022, 2023 and 2024 while the WACC determined by the Regulator was 5.1% over the years 2022 and 2023 and equal to 5.9% on 2024 (for the transport business), the sterilization of this difference is worth about 169.0 million euros.



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

FIGURE 16 - PROPORTION BETWEEN FIXED AND VARIABLE REMUNERATION WITH REFERENCE TO CEO AND MSR



(\*) The pay mix 2024 was represented with reference to the Managers with Strategic Responsibilities of Snam (8) at 31.12.2024.

Benefits

Table 1 shows the value of the benefits recognised in 2024, 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 2024 such that the Board of Directors exercised its authority to waive the contents of the 2024 Policy.

Claw-back mechanisms

During 2024, Snam did not use claw-back mechanisms.

Comparison information between remuneration of the Board of Directors, the Group 's results and the average remuneration of Snam's employees

- The table and graphs below show, over a five-year period (2020, 2021, 2022, 2023, 2024):
- a comparison of the total remuneration of the members of the Board of Directors<sup>14</sup> who have held office during 2024;
  - the company's economic performance, measured in terms of Adjusted net profit;
  - the average remuneration of Snam's employees.

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



**FIGURE 17 - FEES<sup>(\*\*\*\*)</sup> BOARD OF DIRECTORS, AVERAGE EMPLOYEE REMUNERATION AND ADJUSTED NET PROFIT -2020-2021-2022-2023-2024**

Directors (€)	Period of office	2024	Δ 2024 vs 2023	2023	Δ 2023 vs 2022	2022	Δ 2022 vs 2021	2021	Δ 2021 vs 2020	2020
Monica de Virgiliis (1)	-	310,000	0%	310,000	0%	310,000		-		-
Stefano Venier (2)	-	3,465,146	109%(**)	1,655,274	-2%	1,690,760		-		-
Massimo Bergami (3)	-	110,000	0%	110,000	29%	85,000		-		-
Laura Cavatorta (3)	-	120,000	0%	120,000	1%	119,000	3%	115,000	0%	115,000
Augusta Iannini (3)	-	95,000	0%	95,000	46%	65,000		-		-
Piero Manzoni (3)	-	105,000	0%	105,000	46%	72,000		-		-
Rita Rolli (3)	-	115,000	0%	115,000	1%	114,000	4%	110,000	0%	110,000
Qinjing Shen (3)	-	90,000	0%	90,000	15%	78,000		-		-
Alessandro Tonetti (3)	-	90,000	0%	90,000	-6%	96,000	-13%	110,000	0%	110,000
<b>Average employees (€) *</b>	-	56,560	5.9%	53,369	-1%	54,028	2%	52,802	-3%	54,511
<b>Adjusted net profit (€ millions)</b>	-	1,289	10.4%	1,168	0.4%	1,163	-5%	1,218	5%	1,164

<sup>(1)</sup> The amount indicated in 2022 represents the annualisation of the amount paid to the Chairwoman of the Board of Directors for the period from April 27 to 31 December 2022 (211,479 euros).

<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 compensation, the relevant Annual Monetary Incentive (IMA) has been indicated for 2022, in accordance with the new provisions of the Issuers Regulations.

<sup>(3)</sup> 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.

<sup>(\*)</sup> The remuneration data used to calculate the average remuneration of Snam employees is based on a company perimeter that includes the following companies for 2024: Snam Spa, Snam Rete Gas, LNG Italia, Gasrule, Stogit, Greenture, Cubogas, Renovit, Renovit Public Solutions, Renovit Business Solutions, Renovit Building Solutions, Bioenerys Srl, Bioenerys Agri Srl, Bioenerys Ambiente Srl, Snam International, Enura, BYS Ambiente Impianti S.r.l., Enersi, Biowaste CH4 Legnano and Marsala, and Snam FSRU Italia for a total of 3,900 FTEs (without CEO). The average remuneration reported for Snam employees was defined according to the cash principle and based on a Total Direct Compensation perspective. The elements that make up the average employee remuneration are the following:

a) fixed remuneration figures for each year refer to the expected Gross Annual Salary (Ral) for each employee;

b) all part-time workers' salaries considered were re-proportioned as if they were employed full-time (at 100%);

c) the following remuneration elements were considered in the computation of short-term variable remuneration: (i) the One-Time Remuneration Policy for the non-executive population provided both during annual compensation campaigns and outside the annual campaigns, (ii) the Annual Monetary Incentive for managers (IMA), (iii) the participation bonus provided for by the Energy and Oil collective agreement for the non-executive population, (iv) other remuneration elements (e.g. company contributions for health funds, mixed self-use contribution, other various allowances). The Other elements of remuneration were valued starting from 2024;

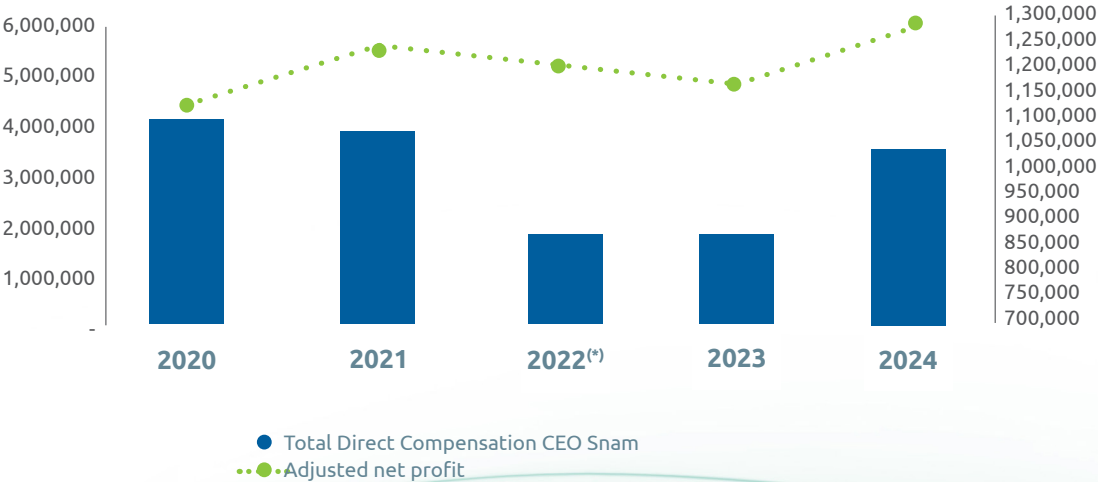
d) with reference to long-term variable compensation, the amount paid of the LTI 2021-2023 equity incentive plan (payment August 2024) was considered.

<sup>(\*\*)</sup> The Chief Executive Officer's remuneration for 2024 includes the share incentive accrued under the 2022-2024 cycle of the 2020-2022 LTI Plan, in the amount of 1,777,372 euros (monetary value of the shares accrued taking into account the Fair Value at the award date). The delta 2024 vs 2023 with the same remuneration mix (fixed remuneration + annual monetary incentive) is 0.02%.

<sup>(\*\*\*\*)</sup> 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 - COMPARISON OF CEO TOTAL COMPENSATION AND COMPANY PERFORMANCE IN TERMS OF ADJUSTED NET PROFIT 2020-2021-2022-2023-2024



<sup>(\*)</sup> 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 (IMA 2022). The Chief Executive Officer in office since 27/04/2022 was awarded the third cycle 2022-2024 of the LTI Plan (LTI 2020-2022) on 01/07/2022, whose rights will vest in 2025.

REMUNERATION PAID IN 2024

Table 1 - Remuneration paid to Directors, Statutory 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>15</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 2024, 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 column “**Variable Non-Equity Compensation**”, under “Bonuses and other **incentives**”, the incentives pertaining to 2024 are reported following the verification and approval of related performance results on the part of
- competent corporate bodies, as specified, with more details, 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;
- in the “**Total**” column, the sum of the amounts of the previous items is indicated;
- 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 2024, 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.

15 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)						Variable non-equity compensation							
Name and Surname	Notes	Role	Period for which the position was held	Expiry of office	Fixed remuneration	Compensation for participating in committees	Bonuses and other incentives	Profit sharing	Non-cash benefits	Other remuneration	Total	Fair Value of equity compensation	Indemnity at the end of office or termination of employment
Board of Directors													
De Virgiliis Monica	(1)	Chairwoman	01.01 -31.12	04.25	310 (a)						310		
Venier Stefano	(2)	Chief Executive Officer	01.01 -31.12	04.25	900 (a)		788 (b)		14		1,702	1,540 (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 Qinjing	(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		
Board of Statutory Auditors													
Gnocchi Stefano	(10)	Chairman	01.01 -31.12	04.25	80 (a)						80		
Gandini Ines	(11)	Statutory Auditor	01.01 -31.12	04.25	60 (a)						60		
Chinellato Gianfranco	(12)	Statutory Auditor	01.01 -31.12	04.25	60 (a)						60		
Managers with Strategic Responsibilities	(13)				2,426 (a)		2,121 (b)		352		4,899	1,391	
Overall total					4,326	235	2,909		366		7,836	2,931	



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

- (a) for the period from 1 January 2024 to 31 December 2024, the amount of €310,000, as annual fixed remuneration.

**(2) Venier Stefano - Chief Executive Officer**

- (a) for the period from 1 January 2024 to 31 December 2024, the amount of €900,000, as fixed remuneration.
- (b) Annual Monetary Incentive (IMA) referable to performance in the year 2024 to be paid in 2025. In this regard, it should be noted that, applying the cash principle, the annual monetary incentive (IMA) paid during 2025, referring to the performance of the year 2024, amounted to €787,774.
- (c) The amount of the Fair Value of equity compensation includes the fair value of the 2020-2022 LTI plan cycle 2022-2024 and the 2023-2025 LTI plan cycles 2023-2025 and 2024-2026. Refer to Table 3A for details of the fair value of the individual plans.

**(3) Bergami Massimo - Director**

- (a) for the period from 1 January 2024 to 31 December 2024, 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 2024 to 31 December 2024, fixed annual remuneration for participation, as a member, in the Appointments and Compensation Committee (€20,000) and, as a member, in the Sustainability and Energy Transition Scenarios Committee (€20,000).

**(4) Cavatorta Laura - Director**

- (a) for the period from 1 January to 31 December

2024, 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 2024, as annual fixed remuneration for participation, as Chair, in the Sustainability 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 2024, 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 2024, 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 2024, 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 2024, 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 2024, 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 2024, 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 Qinjing - Director**

- (a) for the period from 1 January to 31 December 2024, 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 2024, annual fixed remuneration for participation, as a member, in the Sustainability and Energy Transition Scenarios Committee (€20,000).

**(9) Tonetti Alessandro - Director**

- (a) for the period from 1 January to 31 December 2024, 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 2024, 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 2024, 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 2024, 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 2024, 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 eight owners who, in 2024, 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 €26,584.
- (b) Annual Monetary Incentive (IMA) referable to performance in the year 2024 to be paid in 2025. Included is the accrual fee for the year of Entry Bonus assigned to 3 Managers with Strategic Responsibilities.

**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, FOR DIRECTORS AND MANAGERS WITH STRATEGIC RESPONSIBILITIES

Financial instruments assigned in previous years not vested during the year				Financial instruments assigned during the year					Financial instruments vested in the course of the exercise and not attributed	Financial instruments vested during the year and attributed	Financial instruments falling within the scope of the year	
Name, Surname and Position	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair Value at the date of the assignment (euro)	Vesting period	Date of assignment	Market price at assignment (euro)	Number and type of financial instruments	Number and type of financial instruments	Value at maturity date	Fair value (euro)
Marco Alvero - Chief Executive Officer	2021-2023 Long Term Incentive Plan 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.	104,683
Stefano Venier - Chief Executive Officer	2022-2024 Long Term Incentive Plan 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.	601,313
Stefano Venier - Chief Executive Officer	2023-2025 Long Term Incentive Plan BoD 27/07/2023	387,438	1 July 2023 - 30 June 2026	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	619,901
Stefano Venier - Chief Executive Officer	2024-2026 Long Term Incentive Plan BoD 31/07/2024	n.a.	1 July 2024 - 30 June 2027	438,677	1,912,632	three-year	01/07/2024	4,179 (a)	n.a.	n.a.	n.a.	318,772
Managers with Strategic Responsibilities	2021-2023 Long Term Incentive Plan BoD 29/07/2021	182,295	1 July 2021 - 30 June 2024	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	145,168
Managers with Strategic Responsibilities	2022-2024 Long Term Incentive Plan BoD 27/07/2022	186,518	1 July 2022 - 30 June 2025	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	257,768
Managers with Strategic Responsibilities	2023-2025 Long Term Incentive Plan BoD 27/07/2023	380,640	1 July 2023 - 30 June 2026	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	564,489
Managers with Strategic Responsibilities	2024-2026 Long Term Incentive Plan BoD 31/07/2024	n.a.	1 July 2024 - 30 June 2027	579,100	2,548,619	three-year	01/07/2024	4,179 (a)	n.a.	n.a.	n.a.	423,491

<sup>(a)</sup> €4,179 is the market price at the date the plan was awarded . 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 €4.36 for the CEO and €4.48 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 for 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

Annual bonus			Bonuses from previous years					
Name, Surname and Position	Plan	payable/ paid	deferred	deferral period	no longer payable	payable/ paid	still deferred	Other bonuses
Stefano Venier Chief Executive Officer	MBO Plan 2024 (IMA)	787,774						
Total		787,774						
Other Managers with Strategic Responsibilities	MBO Plan 2024 (IMA)	2,121,184						
Total		2,121,184						
TOTAL		2,908,958						

<sup>(a)</sup> This includes the accrual fee for the year of Entry Bonus assigned to 3 Managers with Strategic Responsibilities.





Equity investments held

The following Table indicates, pursuant to art. 84-quater, fourth paragraph, of the CONSOB Issuers Regulation, the shares in Snam held by Directors, Statutory Auditors and Managers with Strategic Responsibilities as well as by their respective spouses who are not legally separated and minor children, directly or through subsidiaries, trust companies or through an intermediary person, resulting from the shareholders' book, the communications received and other information acquired by the same subjects.

This includes all those who, during the financial year, held office for even a part of the year. 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 AUDITORS

Name and Surname	Role	Investee company	Number of shares held as at 31 December 2023	Number of shares purchased in 2024	Number of shares sold in 2024	Number of shares held as at 31 December 2024
Stefano Venier	Chief Executive Officer	Snam	0	0	0	0

TABLE 4B - SHAREHOLDINGS HELD BY MANAGERS WITH STRATEGIC RESPONSIBILITIES

	Investee company	Number of shares held as at 31 December 2023	Number of shares purchased in 2024	Number of shares sold in 2024	Number of shares held at 31 December 2023
Managers with Strategic Responsibilities (*)	Snam	184,401	315,946 (**)	132,169 (***)	368,178

(\*) The composition of Managers with Strategic Responsibilities changed in 2024 compared to 2023. For the 2024 financial year, there were 8 Managers with Strategic Responsibilities.

(\*\*) On 1 August 2024, Snam ordinary shares were allocated to six 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 18 July 2020. The shares were assigned to 6 Managers with Strategic Responsibilities, with the current Chief Financial Officer taking office in January 2023 and the current Chief People Officer & Corporates Service taking office on 1 April 2024 to replace the previous EVP Human Resources, Organisation & PFM who was not participating in said equity incentive plan. This amount also includes the acquisition by a MSR of 10,000 shares not linked to any Share-Based Incentive Plan.

(\*\*\*) 132,169 shares sold on August 1, 2024 by six Managers with Strategic Responsibilities, for the purpose of fulfilling the tax burden associated with the assignment of shares.



# STERILISATION RULES FOR SHORT-TERM INCENTIVE PLANS (MBO) AND LONG-TERM INCENTIVE PLANS (LTI)

Below is the detail of the individual sterilisation items and their definition:

STERILISATION ITEMS	DEFINITION
M&A transactions (1)	Variation given by the contribution deriving from the management of the company subject to the M&A transaction originating from a change in the scope and/or percentage of interest compared to the Budget and the approved multi-year plans. The costs for the study and structuring of M&A transactions are also sterilised (for example, legal and tax advice, advisory costs, financial expenses resulting from increased indebtedness, etc.)
Measures of the Authorities / Regulations	Regulatory and regulatory changes (Italian and foreign) with impacts on Income Account/Balance Sheet/Investments/RAB/Cash Flow
Provisions (utilisations) net provisions for risks and charges	Balance between provisions and uses of funds, 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 deriving from the transfers/divestitures of assets due to operational and/or regulatory needs
Write-downs of inventory and write-downs of receivables	Write-down of inventories and write-downs of receivables
Other exogenous and non-recurring factors and extraordinary/unpredictable phenomena	Effects on Income Account/Balance Sheet/Investments/RAB/Cash Flow due to exogenous/external events and not related to ordinary business performance and not foreseeable in the Budget and in the approved multi-year plans
UFG <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 operations	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, GNC and energy charges compared to Budget and approved multi-year plans
Non-recurring financial expenses	Non-recurring financial expenses on debt refinancing operations

1 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 (investments, assets and/or business units).  
2 For long-term equity incentive plans, changes in all energy charges are sterilised.

## GLOSSARY

- 1. Executive Directors:** the directors vested with special offices by the Board of Directors.
- 2. 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.
- 3. Independent directors:** Snam Directors meeting the independence requirements set out in the Corporate Governance Code, to which Snam adheres.
- 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. Corporate Governance Code :** approved by the Corporate Governance Committee on 31 January 2020 and applicable from 1 January 2021 (as of that date, the document replaced the Code of Corporate Governance of companies listed by Borsa Italiana S.p.A.), in line with the experience of the main international markets, indicates the best practices in Corporate Governance recommended by the Committee to listed companies, to be applied according to the comply or explain principle, which requires explanation the reasons for any non-compliance with one or more recommendations contained in the principles or application criteria.
- 6. Control and Risk and Related Party Transactions Committee:** it is composed of three non-executive directors, all independent in accordance with the TUF and the *Corporate Governance* Code and has advisory functions vis-à-vis the Board of Directors to support decisions relating to the internal control and risk management system, as well as those relating to the approval of the periodic reports of financial and non-financial nature.
- 7. Appointments and Compensation Committee:** it is composed of three non-executive directors, the majority of whom are independent in accordance with the TUF and the Corporate Governance Code, including the Chair. First of all, the Committee performs preliminary and advisory functions with respect to the Board of Directors regarding its composition and size and with regard to equal treatment and opportunities between genders. It also performs preliminary and advisory functions with respect to the Board of Directors in matters of remuneration.  
The Committee in particular assists the Board of Directors in drafting the Remuneration Policy and in its periodic evaluation of the same with respect to its appropriateness, overall consistency and concrete application, as well as in the summary of company results.
- 8. Sustainability and Energy Transition Scenarios Committee:** it is composed of four non-executive directors, mostly independent in accordance with the TUF and the *Corporate Governance Code*, including the Chair. The Committee performs preliminary and advisory functions with the Board of Directors on sustainability and long-term energy transition scenarios, in order, among other things, to promote the continuous integration of national and international *best practices* into Snam's *Corporate Governance* and of environmental, social and *Governance* factors in business strategies aimed at pursuing sustainable success. The name Environmental, Social & Governance and Energy Transition Scenarios Committee was changed to "Sustainability and Energy Transition Scenarios Committee" by resolution of the Board of Directors of 13 March 2024.
- 9. Managers with Strategic Responsibilities:** those who have the power and responsibility, directly and indirectly, to plan, direct and control the company's activities, including directors (executive or not) as identified in art. 65, paragraph 1-quater, of the Issuers Regulation, which refers to the definition contained in the Appendix to the CONSOB Regulation no. 17221 of 12 March 2010 containing provisions on transactions with related parties, as subsequently most recently amended by CONSOB Resolution no. 21624 of 10 December 2020. At Snam, they are 8 subjects at the date of approval of this Report, listed in this document.
- 10. 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.
- 11. Fair value of equity compensation:** also defined as *fair value*. 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."
- 12. Short-term variable remuneration:** this refers to the *Annual Monetary Incentive Plan - IMA* (renamed the MBO Plan as of the 2025 Report), which entitles those involved to receive an annual cash bonus based on the results achieved, in the previous year, with respect to the set objectives.
- 13. Long-term Variable Remuneration:** Reference is made to the Long-Term Equity Plan - LTI, which grants eligible participants the right to receive a predetermined number of shares based on their performance at the end of the vesting period.
- 14. Director's severance pay:** The sum of money to be paid to the director upon the termination of their directorship.
- 15. Employee severance pay:** The monetary sum to be paid to the employee upon the termination of their executive employment contract.
- 16. 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.
- 17. 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.
- 18. Sustainability indices:** These are stock market indices that comprise internationally listed companies, selected for their outstanding performance in sustainability and Corporate Social Responsibility.
- 19. 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.
- 20. 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.
- 21. Lock up:** indicates the time period during which the allotted shares are subject to restrictions on sale and/or transfer.
- 22. 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

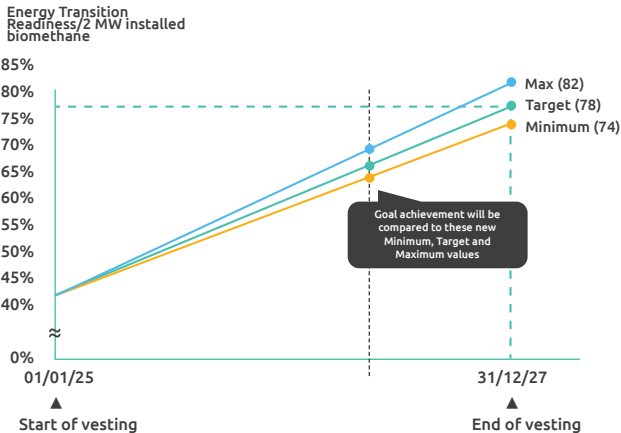
- company’s assets through transactions conducted by Snam and its subsidiaries.
- 23. Non-competition agreements:** under Article 2125 of the Italian Civil Code, it refers to “the agreement by which the employee’s activities are restricted for a period following the termination of the contract”.
- 24. Pay Mix:** the percentage of fixed and variable short-term and long-term incentive remuneration paid.
- 25. Performance Plan:** the percentage of fixed remuneration and short-term and long-term variable incentives paid.
- 26. Remuneration policy:** It is the set of compensation programmes in terms of fixed and variable remuneration implemented at the company level in order to support the achievement of strategic objectives.
- 27. 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.
- 28. Issuers’ Regulation:** CONSOB Regulation No. 11971 of 14 May 1999 (as amended) containing the rules on issuers of financial instruments.
- 29.** 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.



- 30. Variable remuneration:** includes the variable short-term incentive and the long-term incentive (refer to the relevant definitions in this glossary for further details).
- 31. Return on Equity (ROE):** financial indicator that measures profitability in relation to the equity invested by shareholders. It is obtained by dividing the company’s net profit by the shareholders’ net worth. The result is expressed as a percentage.
- 32. Salary review:** the process of reviewing the fixed annual remuneration for all eligible management personnel.
- 33. 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).
- 34. 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).
- 35. 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; or (ii)

they result from events or transactions which are not representative of normal business operations.

- 36. Vesting (vesting period):** period running between the assignment and completion of the ownership of the right to receive the reward.
- 37. Energy Transition Readiness/2 MW installed biomethane:** If during the three-year cycle a sale of the Bioenerys shareholding were to occur in compliance with the provisions of resolution no. 140/2023/R/Gas of 4 April 2023 issued by the Regulatory Authority for Energy, Networks and the Environment, the Minimum, Target and Maximum parameters will be redefined by applying a linear interpolation mechanism starting from the final data at 12/31/2024 (equal to 40MW) and with an arrival point of 12/31/2027. It will thus be possible to compare the MW installed at the time of the sale of the aforementioned participation with the new reference parameters, thus establishing the performance level according to a pro-rata temporis approach. For example, the performance level will be determined at the time of sale (t) based on the chart below:







snam.it

