



**ITALGAS S.P.A.**

**REPORT OF THE BOARD OF DIRECTORS ON ITEM 3 ON THE AGENDA OF THE EXTRAORDINARY SHAREHOLDERS' MEETING OF ITALGAS S.P.A. OF 10 APRIL 2025 IN SINGLE CALL**

drawn up pursuant to Article 125-ter of Legislative Decree No. 58 of 24 February 1998 ("CLF") and Article 72 of Consob Regulation No. 11971 of 14 May 1999 ("Issuers' Regulations"), in accordance with the indications contained in Model 2 of Annex 3A of the aforesaid Issuers' Regulations

### **Item 3 on the Agenda of the Extraordinary Session**

***Proposal for free share capital increase, to be reserved for employees of Italgas S.p.A and/or companies in the Group, to service the stock grant plan. Amendment to article 5 of the Company's Bylaws. Related and consequent resolutions."***

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#### **Foreword**

Dear Shareholders,

the Board of Directors of your Company has resolved to submit to the Shareholders' Meeting the approval of a stock grant plan connected to the transaction for the acquisition by the Company of 2i Rete Gas S.p.A. ("**Transaction**") reserved for employees of Italgas S.p.A. ("**Italgas**" or the "**Company**") and/or of companies of the relevant group (the "**Group**") that have made a significant contribution to the aforesaid transaction (the "**Plan**"). The Plan is described in the information notice prepared pursuant to Article 84-bis of Consob Regulation No. 11971/99, as subsequently amended and supplemented, and made available to Shareholders for examination under item 2 of the agenda of the ordinary session of the Shareholders' Meeting.

The information document, to be referred to for more information on the Plan, also indicates – pursuant to the aforementioned regulatory provision – the Plan recipient categories, the criteria for identifying effective beneficiaries and Plan characteristics, and details the reasons underlying the proposal to adopt the Plan.

The Plan involves the free allocation of the Company's ordinary shares to participants. Those shares are expected to be the result of a capital increase to be performed using retained earnings reserves pursuant to Article 2349 of the Italian Civil Code. Those participating in the Plan, and in particular employees of Italgas and/or companies of the Group, shall be entitled to receive shares, under the terms and conditions established in the Plan itself.

In order to guarantee the related supply of shares, the Board therefore intends to submit for your attention a proposal for a free share capital increase, in one or more tranches, for a nominal maximum amount of 558,000.00 euros, through allocation, pursuant to Art. 2349 of the Italian Civil Code, of a corresponding maximum amount from retained earnings reserves, with the issue of no more than 450,000 ordinary shares to be reserved for the beneficiaries of the Plan (the "**Stock Grant Capital Increase**").

Note that, pursuant to art. 5 of the Company bylaws, "*the share capital may be increased...with the issue of new shares, including special categories, to be assigned free of charge pursuant to art. 2349 of the Italian Civil Code*".

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#### **1. Reasons and intended use of the Capital Increase**

The Plan is connected to the Company's acquisition of 2i Rete Gas S.p.A., which represents an exceptional transaction of extraordinary importance for Italgas, not previously planned and such as to have a significant impact on the Company's business and its market positioning, as well as on its expected results and value in the medium and long term. The Plan therefore aims, for both rewarding and incentive purposes, to recognise those persons who have made a significant contribution to the Transaction so that they may benefit from a portion of the increase in value resulting from the Transaction.

The Stock Grant Capital Increase is intended to exclusively serve the aforesaid Plan and, as mentioned, is therefore exclusively intended for employees of Italgas and/or of Group companies that have made a significant contribution to the Transaction to which the Plan is related.

The shares may be issued, even in one or more tranches, for the duration of the share capital increase resolution outlined, and in any case by the final deadline of 31 December 2027.

## 2. Characteristics of the Shares, allocation to capital

The Company shares, that can be assigned to Plan beneficiaries under the terms and conditions established therein, will be ordinary Italgas shares with the same characteristics as those in circulation. Furthermore, they will have the same dividend rights as the ordinary shares of the Company currently in circulation and will therefore be provided with existing coupons.

As the shares of your Company have no express nominal value, the Board intends to submit for your attention a proposal to ascribe to capital a maximum amount of 558,000.00 euros and therefore an amount, for each share, equal to the current accounting par value of the shares rounded to the euro cent of 1.24 euros as calculated on the date of this Report.

## 3. Bylaws amendment arising from the resolution on the proposed capital increase

The transaction outlined involves an amendment to article 5 of the Company Bylaws to incorporate the capital increase resolution.

In particular, a new paragraph shall be added to Article 5 of the Bylaws (5.7, or 5.5 in the event of non-approval of the Reserved Capital Increase and of the Free Capital Increase under item 2 on the agenda of the Extraordinary Shareholders' Meeting) in the following terms:

*“On 10 April 2025 the Extraordinary Shareholders' Meeting resolved on a share capital increase, in one or more tranches, for the nominal maximum amount of 558,000.00 euros, through allocation pursuant to Art. 2349 of the Italian Civil Code of a corresponding amount taken from retained earnings reserves, with the issuance of no more than 450,000 ordinary shares, to be assigned free of charge to beneficiaries of the stock grant plan approved by the Ordinary Shareholders' Meeting of 10 April 2025 and to be carried out by the final deadline of 31 December 2027.”*

There follows a comparison of the text of article 5 of the current bylaws with the amended text as described above, which is submitted for the approval of the Extraordinary Shareholders' Meeting:

Current text	Proposed text
<b>TITLE II</b>	<b>TITLE II</b>
<b>COMPANY CAPITAL</b>	<b>COMPANY CAPITAL</b>
<b>ARTICLE 5</b>	<b>ARTICLE 5</b>
<u>Paragraph 5.1</u> The Company's share capital is 1,004,478,347.72 euros (one billion four million four hundred and seventy-eight thousand three hundred and forty-seven point seventy-two), divided into 811,753,913 (eight hundred eleven million seven hundred fifty-three thousand nine hundred thirteen) shares without par value.  On 10 April 2025, the Extraordinary Shareholders' Meeting resolved to increase the Company's share capital, for payment and in divisible form, for a maximum total amount of 1,020 million euros (including any share premium), through the issue of ordinary shares with no par value, with regular dividend rights and having the same characteristics	<u>Paragraph 5.1</u> (Unchanged))

as those in circulation, to be offered as an option to the Company's Shareholders –to be executed only once the closing of the transaction for the acquisition of the stake representing 99.94% of the share capital of 2i Rete Gas S.p.A. has been finalised – in proportion to the number of shares held pursuant to Article 2441, paragraph 1, of the Italian Civil Code, to be released in cash, setting the deadline of 12 months from the date of the aforementioned resolution of the Shareholders' Meeting as the final deadline for the subscription and redemption of the Company's shares to be issued in execution of the aforesaid capital increase, providing that if the capital increase is not fully subscribed by the deadline of 12 months from the date of the aforementioned resolution of the Shareholders' Meeting, the Company's share capital shall be deemed to be increased by an amount equal to the subscriptions received as of that date.

Furthermore, at the same meeting, the Extraordinary Shareholders' Meeting resolved to grant the Board of Directors the broadest powers to: (a) determine, in compliance with the deadlines set by the Shareholders' Meeting and, in any case, only once the closing of the transaction for the acquisition of the stake representing 99.94% of the share capital of 2i Rete Gas S.p.A. has been finalised, the timing of the option offer, going ahead with its filing with the Business Register, as well as the timing of the offer on the stock exchange of any option rights not taken up; (b) determine, close to the start of the period of the option rights offer relating to the capital increase, the number of shares to be issued, the option ratio and the issue price (accounting parity and premium), taking into account, inter alia, for the purpose of determining the issue price, the market conditions in general and the stock price trend, the Company's economic, equity and financial performance and its development prospects and considering the market practice for similar transactions, including the possibility of applying a discount on the Theoretical Ex-Rights Price ("TERP") of the ordinary shares, calculated according to current methodologies; (c) determine, within the maximum limit resolved by the Shareholders' Meeting, the final amount of the capital increase and any other element necessary for the above purposes; and (d) determine any other element necessary to implement the capital increase and to carry out any formalities and/or fulfilments

required by the applicable regulations in order to execute the capital increase and for the newly issued Italgas shares resulting from said capital increase to be offered to those entitled thereto and to be admitted to listing on Euronext Milan, organised and managed by Borsa Italiana S.p.A.	
<b><u>Paragraph 5.2</u></b> The Shareholders' Meeting may resolve to increase the share capital, determining the terms, conditions and arrangements thereof. The share capital may be increased: by transfer in kind or of assets and with the issue of new shares, including special categories, to be assigned free of charge pursuant to art. 2349 of the Italian Civil Code.	<b><u>Paragraph 5.2</u></b> <i>(Unchanged))</i>
<b><u>Paragraph 5.3</u></b> On 20 April 2021, the Extraordinary Shareholders' Meeting resolved to increase the share capital, in one or more tranches, by a nominal maximum amount of 5,580,000 euros, of which 4,329,220.68 now remain, through allocation, pursuant to art. 2349 of the Italian Civil Code, of a corresponding amount withdrawn from retained earnings reserves, with the issuance of no more than 4,500,000 ordinary shares, of which 3,491,307 now remain to be assigned free of charge to the beneficiaries of the incentive plan approved by the Ordinary Shareholders' Meeting of 20 April 2021 and to be carried out by the final deadline of 30 June 2026.	<b><u>Paragraph 5.3</u></b> <i>(Unchanged))</i>
<b><u>Paragraph 5.4</u></b> On 06 May 2024 the Extraordinary Shareholders' Meeting resolved to increase the share capital, in one or more tranches, by a nominal maximum amount of 3,720,000 euros, through allocation, pursuant to Article 2349 of the Italian Civil Code, of a corresponding amount withdrawn from retained earnings reserves, with the issuance of no more than 3,000,000 of ordinary shares, to be assigned free of charge to the beneficiaries of the incentive plan approved by the same Ordinary Shareholders' Meeting of 06 May 2024 and to be carried out by the final deadline of 30 June 2028.	<b><u>Paragraph 5.4</u></b> <i>(Unchanged))</i>
<b><u>Paragraph 5.5</u></b> On 10 April 2025, the Extraordinary Shareholders' Meeting resolved to increase the share capital against payment, in one or more tranches, for a maximum nominal amount of 4,960,000.00 euros and issue no more than 4,000,000 ordinary shares,	<b><u>Paragraph 5.5</u></b> <i>(Unchanged))</i>

<p>excluding option rights pursuant to Article 2441, paragraph 8, of the Italian Civil Code, to be offered for subscription to the beneficiaries of the Employee Share Ownership Plan approved by the Ordinary Shareholders' Meeting of 10 April 2025 and to be executed by the deadline of 31 December 2028.</p>	
<p><b><u>Paragraph 5.6</u></b></p> <p>On 10 April 2025 the Extraordinary Shareholders' Meeting resolved on a share capital increase in the nominal maximum amount of 7,440,000.00 euros, through allocation pursuant to art. 2349 of the Italian Civil Code of a corresponding amount taken from retained earning reserves, with the issuance of no more than 6,000,000 ordinary shares, to be assigned free of charge to beneficiaries of the Employee Share Ownership Plan approved by the Ordinary Shareholders' Meeting of 10 April 2025, subscribers of the capital increase referred to in the immediately preceding paragraph and to be carried out by the final deadline of 31 December 2028.</p>	<p><b><u>Paragraph 5.6</u></b></p> <p>(Unchanged))</p>
	<p><b><u>Paragraph 5.7</u></b></p> <p><i>On 10 April 2025 the Extraordinary Shareholders' Meeting resolved on a share capital increase, in one or more tranches, for the nominal maximum amount of 558,000.00 euros, through allocation pursuant to Art. 2349 of the Italian Civil Code of a corresponding amount taken from retained earnings reserves, with the issuance of no more than 450,000 ordinary shares, to be assigned free of charge to beneficiaries of the stock grant plan approved by the Ordinary Shareholders' Meeting of 10 April 2025 and to be carried out by the final deadline of 31 December 2027."</i></p>

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Please note that the proposed amendments to the Bylaws do not attribute the right of withdrawal to Shareholders who do not contribute to their approval, as they do not fulfil any of the grounds for withdrawal provided for in Article 2437 of the Italian Civil Code and in the Bylaws.

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Dear Shareholders,

if you agree with the proposal we have formulated, we submit the following draft resolution for your approval:

*"The Shareholders' Meeting of Italgas S.p.A., meeting in an extraordinary session,*

- *having acknowledged the proposal made by the Board of Directors; and having examined the related report;*
- *having acknowledged the approval by today's Ordinary Shareholders' Meeting of the stock grant plan connected to the transaction for the acquisition of 2i Rete Gas S.p.A. by the Company, reserved for employees of Italgas S.p.A. and/or of companies of the group headed by Italgas S.p.A. (the "Group");*

*resolves*

- (i) *to increase share capital by a maximum amount of 558,000.00 euros, by issuing, also in several tranches, a maximum number of 450,000 new ordinary shares, to be allocated free of charge, though allocation, pursuant to Art. 2349 of the Italian Civil Code, of a corresponding amount withdrawn from the retained earnings reserves to employees of the Company and/or of Group companies, to beneficiaries of the stock grant plan approved by the Ordinary Shareholders' Meeting of 10 April 2025, and to be carried out by the final deadline of 31 December 2027, with allocation to capital of 1.24 euros per share;*
- (ii) *to amend Article 5 of the Bylaws as set forth in the Board of Directors' Explanatory Report by inserting the paragraph highlighted in the Proposed Text column of the following table:*

Proposed text
ARTICLE 5
<b><u>Paragraph 5.7</u></b>
<b>On 10 April 2025 the Extraordinary Shareholders' Meeting resolved on a share capital increase, in one or more tranches, for the nominal maximum amount of 558,000.00 euros, through allocation pursuant to Art. 2349 of the Italian Civil Code of a corresponding amount taken from retained earnings reserves, with the issuance of no more than 450,000 ordinary shares, to be assigned free of charge to beneficiaries of the stock grant plan approved by the Ordinary Shareholders' Meeting of 10 April 2025 and to be carried out by the final deadline of 31 December 2027.</b>

- (iii) *to attribute to the Board of Directors, and on its behalf to the Chairperson and the Chief Executive Officer pro tempore in office and severally, the powers to implement the preceding resolutions, including but not limited to:*
  - *the power to amend article 5 of the Company bylaws as regards the part concerning the capital increase and the number of shares of which it is comprised, in relation to the total or partial subscription of the capital increase, and also to file said amendments at the Business Register;*
  - *the power to perform all activities, prepare, submit and sign all documents or deeds that are required, necessary or appropriate for the purposes of executing the capital increase resolved on and to perform all preparatory, additional, instrumental or consequent activities, giving the legal representatives in office at the time the power to act severally for all and any activities not reserved by law or internal regulations to the remit of the collegial body;*
  - *the power to perform all actions necessary and appropriate to execute the resolution, also conferring on the legal representatives in office at the time the power to act severally to introduce the changes permitted or requested for registration in the Business Register;*

- (iv) *to establish that, if the capital increase resolved on is not fully subscribed by the final deadline of 31 December 2027, the capital shall in any case be understood as increased for an amount equal to the shares issued.”*

Milan, 11 March 2025

The Chairperson of the Board of Directors

Ms Benedetta Navarra