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## OTHER INFORMATION

### TREASURY SHARES

In compliance with the provisions of Article 2428 of the Italian Civil Code, the treasury shares held by the Company at 31 December 2020 are analysed in the table below:

Period	No of shares	Average cost (€) (*)	Total cost (million of €)	Share capital (%) (**)
<b>Repurchases</b>				
Year 2005	800,000	4.399	3	0.04
Year 2006	121,731,297	3.738	455	6.22
Year 2007	73,006,653	4.607	336	3.73
Year 2016	28,777,930	3.583	103	0.82
Year 2017	56,010,436	3.748	210	1.6
Year 2018	113,881,762	3.743	426	3.28
Year 2019	8,412,920	4.622	39	0.25
Year 2020	23,723,763	4.816	114	0.71
	<b>426,344,761</b>	<b>3.955</b>	<b>1,686</b>	
<b>Less treasury shares granted/sold/cancelled:</b>				
- granted free of charge under the 2005 stock grant plans	(39,100)			
- sold under the 2005 stock option plans	(69,000)			
- sold under the 2006 stock option plans	(1,872,050)			
- sold under the 2007 stock option plans	(1,366,850)			
- sold under the 2008 stock option plans	(1,514,000)			
- cancelled in 2012 following the resolution by the Extraordinary Shareholders' Meeting of Snam S.p.A.	(189,549,700)			
- cancelled in 2018 following the resolution by the Extraordinary Shareholders' Meeting of Snam S.p.A.	(31,599,715)			
- cancelled in 2019 following the resolution by the Extraordinary Shareholders' Meeting of Snam S.p.A.	(74,197,663)			
- cancelled in 2020 following the resolution by the Extraordinary Shareholders' Meeting of Snam S.p.A.	(33,983,107)			
- granted free of charge under the 2017 stock incentivisation plan	(1,511,461)			
<b>Treasury shares held by the Company at 31 December 2020</b>	<b>90,642,115</b>			

(\*) Calculated on the basis of historical prices.

(\*\*) The share capital is that which exists at the date of the last purchase in the year/period.


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As at 31 December 2020, Snam held 90,642,115 treasury shares, (102,412,920 treasury shares, equal to 3.02% of the share capital at 31 December 2019), equal to 2.70% of the share capital, with an overall book value of 361 million euros. The market value of the treasury shares at 31 December 2020 was around 417 million euros<sup>43</sup>. The reduction in the number of treasury shares compared with 31 December 2019 is principally attributable to: (i) the cancellation of 33,983,107 shares with no nominal value, with no reduction in the share capital, and the resulting amendment of Article 5.1 of the company Bylaws approved by Snam's Shareholders' Meeting, held on an extraordinary basis on 18 June 2020; (ii) the allocation of 1,511,461 shares to Snam managers as part of the 2017 Stock Incentivisation Plan, the vesting period of which reached maturity in July 2020. These effects were partly offset by the purchase of 23,723,763 shares for an overall cost of approximately 114 at an average price of 4.82 per share (an overall disbursement of 890 million euros since 2016 Snam, for the purchase of approximately 230 million shares at an average price of 3.86 per share), essentially carried out in the context of the buyback programme approved by the Shareholders' Meeting of 2 April 2019, subsequently extended with a resolution of the same Shareholders' Meeting of 18 June 2020, following the revocation of the resolution of 2 April 2019, in relation to the part that remained unexercised<sup>44</sup>.

The share capital as at 31 December 2020 consisted of 3,360,857,809 shares (3,394,840,916 shares as at 31 December 2019) with no nominal value for a total equivalent value of 2,736 million euros.

The subsidiaries of Snam S.p.A. do not hold, and have not been authorised by their Shareholders' Meetings to acquire, shares in Snam S.p.A.

<sup>43</sup> Calculated by multiplying the number of treasury shares by the period-end official price of 4.601 euros per share.

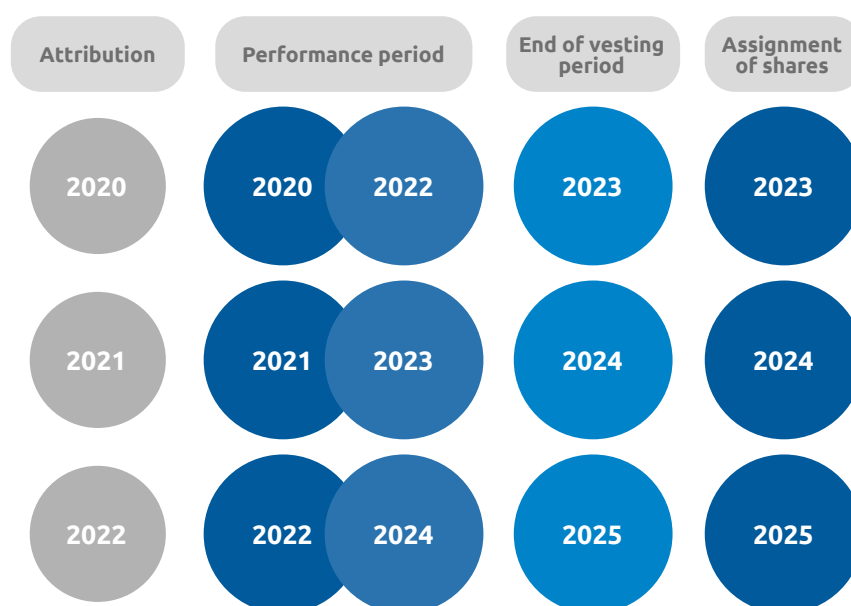
<sup>44</sup> For more details on the aforementioned resolution, see the chapter titled "Key events of 2020" in this Report.


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## SNAM SHARE-BASED INCENTIVE PLANS FOR SENIOR MANAGERS

### 2020-2022 Long-Term Share-Based Incentive Plan

The Shareholders' Meeting of Snam, held on 18 June 2020 in ordinary session, approved the 2020-2022 long-term share-based incentive plan, conferring to the Board of Directors, every necessary power for the implementation of the Plan.



The plan is intended for Snam's Chief Executive Officer and managers, identified among those holding positions with the greatest impact on company results or with strategic importance for the achievement of Snam's long-term objectives, as well as any other positions identified in relation to performance achieved, skills possessed or with a view to retention, up to a maximum of 100 beneficiaries.

The Plan calls for three annual attributions for the period 2020-2022. Each attribution is subject to a three-year vesting period and consequently any effective assignment of shares takes place between 2023 and 2025, as shown below:

The Board of Directors has determined that a maximum of 3,500,000 Shares will be used for each three-year cycle of the Plan. The Plan will be concluded in 2025, upon expiry of the vesting period for the last attribution envisaged in 2022.

The Plan envisages the free assignment of a variable number of Shares, depending on the individual attribution and the degree to which the Plan performance conditions are achieved. The number of shares accrued is subject to the achievement of performance conditions, verified for all Beneficiaries at the end of each three-year implementation period following a detailed process of


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verification of the results actually achieved by the Remuneration Committee.

The performance conditions of the Plan, calculated according to a linear interpolation criterion between minimum, target and maximum values, are linked to the following parameters:

- Adjusted net profit cumulated in the three-year period corresponding to the Performance Period, with a weight of 50%;
- Added Value which reflects the generation of the value of the regulated business, calculated as the change in the RAB over the three-year period corresponding to the Performance Period, added to the dividends distributed, the treasury shares repurchased and reduced by the change in net debt<sup>45</sup>;
- ESG metric, with a weight of 20%, measured through the results achieved with respect to 2 indicators, aiming at:
  1. reducing natural gas emissions (weight 10%) in the three-year period corresponding to the Performance Period;
  2. guaranteeing a fair representation of the less present gender in Snam's management team (weighing for 10%) in terms of the % of the less represented gender in executives and middle managers and out of all Group executives and middle managers.

It is also envisaged that an additional number of shares will be assigned - defined as "dividend equivalents" - according to the shares effectively assigned at the end of the vesting period. The number of additional shares to be allocated is determined by dividing the sum of the dividends distributed in the vesting period by the average price of the share recorded in the month prior to the assignment. For the Chief Executive Officer and the other Plan Beneficiaries, it is envisaged that 20% of the shares assigned, gross of those required to fulfil tax requirements, shall be subject to a lock-Up period.

For further information, see the "Information Document on the 2020-2022 Long-Term Share-Based Incentive Plan" prepared pursuant to Article 84-bis of the Issuers' Regulations, available on Snam's website.

In connection with the above-mentioned plan, 1,277,996 shares have been allocated, for 2020. The unitary fair value of the shares, calculated from the value of the stock-market listing of the Snam stock at the respective allocation dates (grant dates), is equal to 4.441 euros per share and 4.559 per share (at 14 October 2020 and 16 December 2020 for the CEO and members of the Leadership Team, and for the other beneficiaries, respectively).

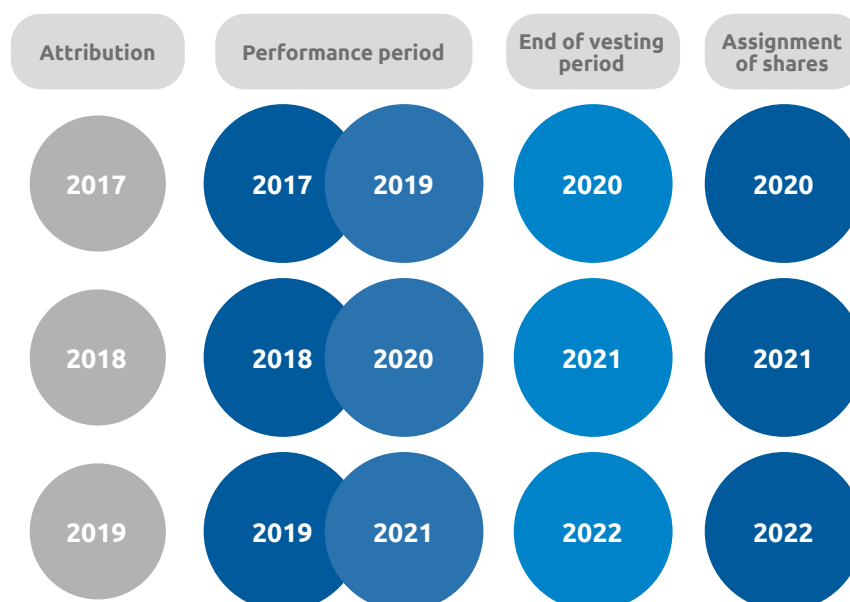
The expenses, relating to the period 1 July - 31 December 2020, equal to the product of the number of shares expected to mature at maturity and their fair value at the grant date, were reported as a component of the personnel cost against a corresponding shareholders' equity reserve, and came to around 2 million euros.

<sup>45</sup> The change in net debt is calculated excluding changes to working capital connected with regulatory dynamics and considering changes to commercial working capital.


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### 2017-2019 Long-Term Share-Based Incentive Plan

On 11 April 2017 the Shareholders Meeting approved the 2017-2019 Long-term share-based incentive plan conferring all necessary powers on the Board of Directors to implement the plan.



The plan, intended for the Snam CEO and senior managers, identified as those who hold positions with a greater impact on company results or with strategic importance for achieving Snam's multi-year targets, includes three cycles of the annual assignment of three-year targets (the so-called rolling plan) for the years 2017, 2018 and 2019. At the end of the three-year performance period, if the underlying conditions of the plan are met, the beneficiary shall have the right to receive Company shares free of charge.

A maximum number of 3,500,000 shares will service the Plan for each three-year period that the Plan will be in effect. The Plan will be concluded in 2022, upon expiration of the Vesting Period for the last attribution made in 2019.

The number of shares that accrue is subject to the performance conditions being achieved, calculated as the average of the annual performance of the parameters identified in the three-year vesting period, which affect EBITDA, adjusted net profit and sustainability.

The Plan also involves the beneficiaries receiving, at the end of the vesting period, a Dividend Equivalent, or an additional number of shares equivalent to the ordinary and extraordinary dividends distributed by Snam during the vesting period due on the number of shares effectively granted to the beneficiaries by way of performance levels achieved under the terms and conditions of the Plan. There will also be a two-year lock-up period for the other executives who are beneficiaries on 20%<sup>46</sup> of the shares for the CEO

<sup>46</sup> The percentage reaches about 40% in case of sale of shares assigned to pay the relevant taxes.


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and other executives, as recommended in the Code of Corporate Governance.

A total of 5,385,372 shares have been allocated in connection with the above-mentioned plan, 1,368,397 of which are for the 2017 allocation, 2,324,413 for the 2018 allocation and 1,692,562 for the 2019 allocation. The unitary fair value of the shares, calculated from the value of the Snam stock at the allocation dates (the grant date), is equal to 3.8548 and 3.5463 and 4.3522 euros per share, respectively for the 2017, 2018 and 2019 allocations. Expenses, reported as a labour cost component, with an opposing entry in shareholder equity provision, amount to 6 million euros (7 million euros in 2019).

In July 2020, 1,511,461 shares were assigned to Snam managers in connection with the 2017 Stock Incentivisation Plan, the vesting period of which came to a natural end, with the consequent release of the relative shareholders' equity provision, established during the three-year vesting period.

## COMPENSATION PAID TO DIRECTORS AND STATUTORY AUDITORS, GENERAL MANAGERS AND MANAGERS WITH STRATEGIC RESPONSIBILITIES, AND INVESTMENTS HELD BY EACH OF THESE

Information on the compensation paid to directors and statutory auditors, general managers and managers with strategic responsibilities, and the equity investments held by each of these, can be found in the Remuneration Report, which is prepared in accordance with Article 123-ter of Legislative Decree 58/1998 (TUF). The Remuneration Report is available on the Snam website ([www.snam.it](http://www.snam.it)) in the Governance section.

## RELATED-PARTY TRANSACTIONS

From 1 August 2019, CDP S.p.A. reclassified its equity investment in Snam, already classified as de facto control pursuant to international accounting standard IFRS 10 – Consolidated financial statements from 2014, as de facto control pursuant to Article 2359, paragraph 1 of the Italian Civil Code and Article 93 of the TUF.

Considering the de facto control of CDP S.p.A. over Snam S.p.A., based on the current Group ownership structure

the related parties of Snam are represented by Snam's associates and joint ventures as well as by the parent company CDP S.p.A. and its subsidiaries and associates, as well as subsidiaries, associates and companies under joint control (directly or indirectly) with the Ministry of Economy and Finance (MEF).

Operations with these parties mainly involve the exchange of goods and the provision of regulated services in the gas sector.

These transactions are part of ordinary business operations and are generally settled at market conditions, i.e. the conditions which would be applied for two independent parties. All the transactions carried out were in the interest of the companies of the Snam Group.

Pursuant to the provisions of the relevant legislation, the company has adopted internal procedures to ensure that transactions carried out by Snam or its subsidiaries with related parties are transparent and correct in their substance and procedure.

Directors and statutory auditors declare potential interests that they have in relation to the Company and the Group every six months, and/or when changes in said interests occur; they also inform the Chief Executive Officer (or the Chairman, in the case of the Chief Executive Officer's interests), who in turn informs the other directors and the Board of Statutory Auditors, of individual transactions that the Company intends to carry out and in which they have an interest.

No management or coordination activity of CDP S.p.A. has been formalised or exercised.

As at 31 December 2020, Snam manages and coordinates its significant subsidiaries pursuant to Article 2497 et seq. of the Italian Civil Code.

The amounts involved in commercial, miscellaneous and financial relations with related parties, descriptions of the key transactions and the impact of these on the statement of financial position, income statement and cash flows, are provided in Note 36 "Related-party transactions" of the Notes to the consolidated financial statements.

Relations with managers with strategic responsibilities ("Key Managers") are shown in Note 29 "Operating costs and expenses" of the Notes to the consolidated financial statements.

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## PERFORMANCE OF SUBSIDIARIES

For performance information concerning the segments in which the Company operates wholly or in part through subsidiaries, please refer to the sections “Business segment operating performance” and “Financial review” within this Report.

## BRANCH OFFICES

As required by Article 2428, paragraph 5 of the Italian Civil Code, it is noted that Snam does not have branch offices.

## RESEARCH AND DEVELOPMENT

Research and development activities performed by Snam are described in the section “The Toward Net Zero strategy - Innovation for business development” of this Report.