

Report of the Board of Directors on the proposals relating to items on the agenda of the Shareholders' Meeting

SNAM S.p.A.

ORDINARY SHAREHOLDERS' MEETING OF 27 APRIL 2016

ON SINGLE CALL

Report of the Board of Directors on the proposals relating to items on the agenda of the Shareholders' Meeting

Item 5

Determination of the term of office of the Directors

Shareholders,

pursuant to Article 2383, paragraph 2, of the Italian Civil Code and Article 13, paragraph 2, of the Bylaws, directors may be appointed for a period not exceeding three financial years, which term expires on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of their term of office.

In order to ensure continuity in the management of the Company, the Board of Directors proposes to set the term of office for the directors to be appointed at three financial years (2016, 2017 and 2018), thus expiring on the date of the Shareholders' Meeting to be called for approving the financial statements as at 31 December 2018.

Shareholders,

you are invited to approve the proposal to set the term of office for the directors to be appointed at three financial years, expiring on the date of the Shareholders' Meeting that will be called for approving the financial statements as at 31 December 2018.

The Chairman of the Board of Directors

Mr. Lorenzo Bini Smaghi