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**DEMERGER PLAN OF THE
PARTIAL AND PROPORTIONAL DEMERGER OF
SNAM S.P.A.
TO
ITG HOLDING S.P.A.
PURSUANT TO ARTICLES 2506-BIS AND 2501-TER OF THE CIVIL CODE**

Snam S.p.A. – *Registered office:* Piazza Santa Barbara 7, San Donato Milanese (MI)
Share capital: €3,696,851,994.00 – *Milan Companies Register No:* 13271390158

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1. INTRODUCTION

The Boards of Directors of (i) Snam S.p.A. (“**Snam**” or the “**Demerged Company**”), a company admitted to trading on the Mercato Telematico Azionario (“**MTA**”), organised and managed by Borsa Italiana S.p.A. (“**Borsa Italiana**”), and (ii) ITG Holding S.p.A. (“**ITG Holding**” or the “**Beneficiary Company**”), whose share capital at the date of this Demerger Plan (as defined below) is wholly owned by Snam, drew up and prepared the following partial and proportional demerger plan pursuant to Articles 2506-*bis* and 2501-*ter* of the Civil Code (the “**Demerger Plan**”).

The industrial and corporate reorganization involves the separation of Italgas S.p.A. (“**Italgas**”) from Snam (the “**Transaction**”). The Transaction will be executed in a unitary and substantially simultaneous manner through the Transfer (as defined below), Sale (as defined below) and Demerger (as defined below).

Through the Transaction, the entire equity investment held at the date of this Demerger Plan by Snam in Italgas, equal to 100% of the share capital of Italgas, will be transferred to ITG Holding.

Specifically, the Transaction, which will occur in a unitary and substantially simultaneous manner, involves:

- a) the transfer in kind by Snam to ITG Holding of a stake equal to 8.23% of the share capital of Italgas (the “**Transfer**”), in exchange for the allocation to Snam of 108,957,843 newly issued shares of ITG Holding, in order to enable Snam to hold, post-Demerger (as per point c), a stake of 13.50% in the Beneficiary Company (0.03% deriving from the treasury shares held by Snam);
- b) the sale by Snam to ITG Holding of 98,054,833 shares of Italgas, equal to 38.87% of the share capital of Italgas (the “**Sale**”), for a price of €1,503 million, to be paid through a *vendor loan* on the part of the Beneficiary Company, enhancing part of its stake in Italgas and generating an adequate level of financial debt for the Beneficiary Company, taking into account the Beneficiary Company’s activity, risk and cash flow generation profile; and
- c) the partial and proportional demerger of Snam (the “**Demerger**”), with the allocation to ITG Holding of a stake equal to 52.90% held by the Demerged Company in Italgas (the “**Demerged Assets and Liabilities**”), and consequent allocation to Snam shareholders of the remaining 86.50% of the Beneficiary Company’s share capital.

In order to support the Transaction-related decisions of the Boards of Directors of the companies participating in the Demerger, Snam has appointed Colombo & Associati S.r.l. (the “**Expert**”), in its capacity as a proven expert operating independently from the Company, ITG Holding and the respective shareholders capable of exercising significant control over said companies, to write:

- (i) (sworn) reports on the value of Snam’s equity investment in Italgas (including the stakes in investee companies) in order to comply with applicable regulations, particularly, based on the structure of the Transaction, Article 2343-*ter*, paragraph 2 of the Civil Code with regard to the Transfer and Article 2343-*bis*, paragraph 2 of the

- Civil Code with regard to purchases by the company from promoters, founders, shareholders and directors; and
- (ii) a report, requested by Snam on a voluntary basis, with the aim of estimating the actual value of the net asset allocated to the Beneficiary Company following the Demerger.

The adequacy of the Transfer and Sale values and the value of net assets transferred to the Beneficiary Company as part of the Demerger transaction have been confirmed by the appraisals referred to under sections (i) and (ii).

For the purpose of the transaction, the Group ITG Holding shall be required:

- (i) to repay existing *intercompany* loans with the Demerged Company; and
- (ii) to pay the Demerged Company the price resulting from the Sale through the repayment of the *vendor loan*.

These debts shall be repaid by ITG Holding through:

- (i) the use of lines of credit in relation to which, on 28 June 2016, major banks and funding institutions have already signed certain binding agreements (except as indicated in the paragraph below), for a total of €3.9 billion, which contain the main terms and conditions of the loan to the Beneficiary Company which will be available as at the effective date of the Demerger;
- (ii) following the accession of the European Investment Bank, the finalisation of a discharge of contractual debts for Snam, effective from the effective date of the Demerger, of two loans granted to the Demerged Company by the European Investment Bank, totalling €424 million, intended to fund Italgas projects.

All of the aforementioned commitments made by the lending institutions are subject, on the one hand, to the same suspensive conditions of the Transaction referred to in paragraph 7 and, on the other hand, to further conditions typical for transactions of this type, such as the absence of malfunctions or severe deterioration of the markets.

As stipulated in the memorandum of understanding dated 28 June 2016 between Snam, CDP Reti S.p.A. (“**CDP Reti**”) and CDP Gas S.r.l. (“**CDP Gas**”) (the “**Memorandum of Understanding**”), the entire Transaction also provides that Snam, CDP Reti and CDP Gas enter into a shareholders’ agreement (the “**Shareholders’ Agreement**”) relating to the equity investments which will be held in the Beneficiary Company, amounting to 13.50%, 25.08% and 0.97%, respectively. A purpose of the Shareholder’s Agreement is to ensure a stable and transparent ownership structure of ITG Holding upon the outcome of the Transaction. The Shareholders’ Agreement shall have a term of three years and shall be renewable. Specifically, the Memorandum of Understanding aims to regulate, by means of the Shareholders’ Agreement, the main terms for implementing the Transaction, the rights deriving from the execution of the Shareholders’ Agreement and the general provisions of *governance* which, following the implementation of the Transaction, shall apply to ITG Holding and Italgas.

This is primarily a business Transaction aimed at separating the Snam Group’s Italian gas distribution activities (carried out by Italgas Group) from its gas transportation and

dispatching, regasification and storage activities in Italy and abroad. Within this context, the structure of the Transaction in its three stages mentioned above (i.e. Transfer, Sale and Demerger, which will be completed simultaneously) will ensure, as already indicated, fulfilment of the twin aims of (i) providing Snam with a post-Demerger stake of 13.50% in the Beneficiary Company (derived almost completely from the Transfer), and (ii) enhancing part of its stake in Italgas by giving, at the same time, the Beneficiary Company a sufficient level of financial debt in view of its business, risk and cash flow generation profiles (via the Sale).

The reason for the Transaction is the belief that the gas distribution activities (which are the subject of the Demerger) present very specific characteristics that are different from the rest of the Snam Group activities in terms of operational structure, competitive environment, regulations and investment needs.

Distribution is primarily a local business awarded on a fixed-term concession basis by local and regional authorities and carried out using mainly metropolitan low-pressure pipeline networks that transport the gas to the redelivery points of end customers. The distribution business is also more labour intensive than the Snam Group's other businesses, requires frequent interaction with local authorities and is based on continual small-scale investment.

Despite being based on the same principles of reference as the Snam Group's other regulated activities, the regulatory framework for distribution presents a series of its own peculiarities in terms of the way in which operating costs are recognised on a parametric basis because of the hugely fragmented nature of the market, in which there are many competitors.

From an operational perspective, Italgas is preparing for a journey that will be characterized over the next few years by local tender processes for concessions, which are expected to result in a more concentrated market with an opportunity for economies of scale and operating synergies.

Two distinct groups will emerge from the Demerger, each focused on its own business and with clearly identified, market-visible objectives. Both groups should have the autonomy required to best capitalise on strategic growth opportunities and a well-defined operational profile that will allow them to fulfill their potential.

As a result of the Demerger, each Snam shareholder will hold, in place of shares of Snam, two separate equity securities representing the different areas of business in which Snam is engaged at the date of this Demerger Plan. Specifically, these areas are: natural gas transportation, dispatching, regasification and storage (Snam share), and natural gas distribution (ITG Holding share).

In addition to the conditions of law, including, in particular, the favourable vote of Snam's Shareholders' Meeting, the effectiveness of the Transaction is subject to:

- (i) the issuance of the Borsa Italiana order admitting shares in the Beneficiary Company to trading on the MTA;
- (ii) the issuance of the judgement of equivalence by the Italian Securities and Exchange Commission ("**Consob**"), pursuant to Article 57, paragraph 1, letter d) of the Regulations approved by Consob by Resolution 11971 of 14 May 1999, as amended

(the “**Issuer Regulations**”), in relation to the information document prepared pursuant to Article 70 of the Issuer Regulations (the “**Information Document**”), supplemented pursuant to said Article 57 of the Issuer Regulations; and

(iii) the approval of the Transaction by the bondholders of the Demerged Company.

Subsequent to the Transaction, the shares in the Beneficiary Company will be admitted to trading on the MTA.

The schedule of the Transaction provides that, subject to the fulfilment of the conditions set out under points (i), (ii) and (iii), the Demerger will probably take effect by 31 December 2016.

At any time, even following approval of the Demerger Plan by the shareholders of the companies involved in the Demerger, the proceedings whereby the Beneficiary Company’s shares are admitted to trading on the MTA could be interrupted or suspended, if suitable conditions to pursue the listing were deemed not present.

In addition, the deeds relating to the Transaction will be mutually conditional, so as to ensure that the the individual steps into which the Transaction is divided occur in a unitary and substantially simultaneous manner.

Following the Demerger, Snam shares will continue to be listed on the MTA.

At the date of this Demerger Plan, the Beneficiary Company does not foresee requesting the admission to trading of its shares on other markets.

2. TYPE, NAME AND REGISTERED OFFICE OF THE COMPANIES PARTICIPATING IN THE DEMERGER

2.1 Demerged Company

Snam S.p.A., with its registered office at Piazza Santa Barbara 7, San Donato Milanese (MI), tax code and Milan Companies Register No: 13271390158.

At the date of this Demerger Plan, the fully subscribed and paid-up share capital of Snam was €3,696,851,994.00, comprising 3,500,638,294 ordinary shares with no par value.

Shares of Snam are admitted to trading on the MTA.

2.2 Beneficiary Company

ITG Holding S.p.A., incorporated on 1 June 2016, with registered office at Piazza Santa Barbara 7, San Donato Milanese (MI), tax code and registration number in the Milan Business Registry: 09540420966. The shareholders' meetings convened to approve this Demerger Plan will be empowered to deliberate on the change of the corporate name and the registered office.

At the date of this Demerger Plan, the fully subscribed and paid-up share capital of ITG Holding was €50,000, comprising 50,000 ordinary shares with no par value.

Subject to the issuance of the necessary authorisations, the shares of ITG Holding will be admitted to trading on the MTA.

3. BYLAWS OF THE DEMERGED COMPANY AND THE BENEFICIARY COMPANY

3.1 Bylaws of the Demerged Company

The bylaws of the Demerged Company will not be amended, except for amendments that will be made to Article 5 in order to reflect the reduction in the share capital of the Demerged Company on completion of the Demerger.

Article 5 – Share capital

The current text of Article 5, paragraph 1 reads as follows: *“The share capital is €3,696,851,994.00 (three billion six hundred and ninety-six million eight hundred and fifty-one thousand nine hundred and ninety-four), divided into 3,500,638,294 (three billion five hundred million six hundred and thirty-eight thousand two hundred and ninety-four) shares with no par value”*.

As a result of the Demerger, the share capital of the Demerged Company will be reduced by €961,181,518.44 to €2,735,670,475.56.

Following the Demerger, Article 5.1 of the bylaws of the Demerged Company will read as follows: *“The share capital is €2,735,670,475.56 (two billion seven hundred and thirty-five million six hundred and seventy thousand four hundred and seventy-five point five six), divided into 3,500,638,294 (three billion five hundred million six hundred and thirty eight thousand two hundred and ninety four) shares with no par value”*.

The bylaws of Post-Demerger Snam are attached to this Demerger Plan as Annex A and are an integral and substantive part thereof.

3.2 Bylaws of the Beneficiary Company

The shareholders’ meetings convened to approve this Demerger Plan will be empowered to deliberate on the change of the corporate name and the registered office.

Subsequent to the Transaction, the shares of the Beneficiary Company will be admitted to trading on the MTA.

Therefore, the Beneficiary Company’s Shareholders’ Meeting convened to approve the Demerger will also be asked to resolve upon adopting, effective from the date of filing the request for admission to trading with Borsa Italiana, bylaws that comply with the provisions for listed companies in the Consolidated Finance Act and the relevant implementing regulations.

These bylaws, which are attached to the Demerger Plan as Annex B, will be broadly in line with those governing Post-Demerger Snam, except for what is described below, and, notwithstanding that the Beneficiary Company’s shares will give their holders the same rights as those granted by shares in the Demerged Company.

Article 2 of the bylaws of ITG Holding will be amended slightly compared to Article 2 of Snam’s bylaws in order to promptly bring the corporate purpose of the Beneficiary Company

in line with the business it will perform after the Demerger. Therefore, the Beneficiary Company's corporate purpose will be to exercise, directly and/or indirectly, in Italy and abroad, including through direct or indirect equity investments in companies, entities or enterprises, in regulated gas sector activities, and in particular the distribution and metering of all kinds of gas in all its applications. The Beneficiary Company will also be able to perform any other economic activity fundamentally or tangentially connected or linked to one or more of the above-mentioned activities, (and, therefore, by way of example and within the limits established by the sector regulations in force at the time, all activities included in the gas supply chain and hydrocarbons in general), as well as any activity that can be performed using the same infrastructure as said aforementioned activities.

In addition, in line with the change to the corporate purpose, authorisation by the shareholders will no longer be required to approve decisions concerning the sale, transfer, leasing, usufruct or any other act of disposal, including by way of a joint venture, or restrictions on the disposal of the company or strategic business units involved in activities relating to the transportation and dispatching of gas.

Article 12.3 of the Snam's bylaws, which requires a qualified majority to approve resolutions of the Extraordinary Shareholders' Meeting, will also be eliminated.

In addition, Article 5 of the bylaws of ITG Holding will be amended to reflect the share capital increase (i) totalling €40,000,000.00 as a result of the Transfer, and (ii) totalling €961,181,518.44 as a result of the Beneficiary Company being allocated the Demerged Assets and Liabilities. The share capital of the Beneficiary Company will therefore total €1,001,231,518.44, comprising 809,135,502 shares with no par value, of which 699,902,209 will be awarded to Snam shareholders as a result of the Demerger (an additional 225,450 shares will be awarded to Snam in exchange for the treasury shares held by Snam).

As such, following the Demerger, the new Article 5 of the bylaws of the Beneficiary Company will read as follows: "*The share capital is €1,001,231,518.44 (one billion one million two hundred and thirty-one thousand five hundred and eighteen point forty-four), divided into 809,135,502 (eight hundred and nine million one hundred and thirty-five thousand five hundred and two) shares with no par value*".

Lastly, Article 13 of the bylaws of ITG Holding, relating to the appointment of the Board of Directors of the Beneficiary Company, will be amended to provide a mechanism whereby nine members are appointed based on lists. Seven directors are taken from the first list according to number of votes and two directors are taken from the minority lists using a proportional mechanism (quotient). This mechanism shall apply starting from the renewal of the Board of Directors of ITG Holding, *i.e.* after two years from the first appointment of the Board of Directors of the Beneficiary Company.

Right of withdrawal

The Demerger requires the shares of the Beneficiary Company to be admitted to trading on the MTA in order to ensure their liquidity. The Demerger is subject, *inter alia*, to the Beneficiary Company's shares being admitted to trading on the MTA. As such, the conditions are not in place for Snam's shareholders to exercise the right of withdrawal set out in Article 2437-*quinquies* of the Civil Code.

Nor are the conditions in place for the exercise of the right of withdrawal pursuant to Article 2437 of the Civil Code. Paragraph 1, letter a) of said article states that following the Demerger, the corporate purpose of the Demerged Company will remain unchanged and the Beneficiary Company will adopt a corporate purpose aligned with that of the Demerged Company.

4. ASSETS AND LIABILITIES TO BE DEMERGED

4.1 Type of demerger and reference statements of financial position

Under the terms of the Demerger, the Beneficiary Company (a pre-existing company whose share capital is wholly owned by Snam at the date of this Demerger Plan) will be allocated the assets and liabilities described in the section “Assets and liabilities allocated to the Beneficiary Company” below.

As a result of the Demerger, Snam’s shareholders will be allocated shares in the Beneficiary Company in proportion to the number of shares held by each shareholder in the Demerged Company at the time of the Demerger. The allocation will take place based on a ratio of one ordinary share of the Beneficiary Company for every five Snam shares held. After the allocation, Snam’s shareholders will hold a total share of 86.50% of the share capital of the Beneficiary Company.

Pursuant to and for the purposes of the combined provisions of Articles 2506-*ter* and 2501-*quater* of the Civil Code, the Beneficiary Company’s statement of financial position at the date of its incorporation (1 June 2016) was drawn up, and was approved by the Board of Directors of ITG Holding.

Availing itself of the option available under said Article 2501-*quater* of the Civil Code, the Demerged Company has used the financial statements for the year ended 31 December 2015, approved by the Ordinary Shareholders’ Meeting of the Demerged Company on 27 April 2016 (the “**2015 Financial Statements**”).

The 2015 Financial Statements were made available to the shareholders and the public on 5 April 2016, in accordance with the methods described by law.

Compared with the 2015 Financial Statement, on 21 June 2016, the Board of Directors of Italgas proposed to the Italgas Shareholders’ Meeting, held on 18 July, to distribute a dividend to Snam (sole shareholder of Italgas itself) equal to € 274,563,390.96. It is expected that Italgas shall pay this dividend prior to the date of effect of the Demerger.

Since this is a partial and proportional demerger of a company whose share capital is, at the date of this Demerger Plan, and will remain up to the effective date of the Demerger, wholly owned by the Demerged Company, the Demerger in no way entails a change in the value of the equity investments held by the shareholders of the Demerged Company, and therefore – partly based on the opinion expressed by the Milan Council of Notaries in Regulation No 23 of 18 March 2004, prepared by its own Companies Committee – the conditions remain in place for the exemption, set out in Article 2506-*ter*, paragraph 3 of the Civil Code, from the need to write the expert report mentioned in Article 2501-*sexies* of said Code.

4.2 Assets and liabilities allocated to the Beneficiary Company

As a result of the Demerger, the Demerged Company will assign to the Beneficiary Company an equity investment of 52.90% of the share capital of Italgas. In accordance with the principle of continuity of accounting values, the allocation will take place at its carrying value, which is €1,569,211,964.76, corresponding to 52.90% of the total cost of €2,966,473,384.94.

Company name	Registered office	Share capital in euros	% stake held by Snam	Shares held	REA No	Snam book value in euros as at 31 December 2015
Italgas S.p.A.	Turin	252,263,314.00	100	252,263,314	Turin No 1082	2,966,473,384.94

No other asset or liability item of the Demerged Company, other than those expressly mentioned, will be awarded. The value of the net asset awarded is therefore €1,569,211,964.76.

Ostiense Property Complex

In this regard, together with the Demerger, Snam's rights and obligations in relation to the property complex in Roma Ostiense (the "**Property Complex**"), will be transferred to the Beneficiary Company as a result of specific contractual arrangements entered into during the sale by Eni S.p.A. ("**Eni**") of 100% of its share capital in Italgas to Snam, which occurred in 2009 (as summarised below).

On 12 February 2009, Snam (then Snam Rete Gas, now Snam) and Eni signed a sale and purchase agreement (the "**Sale and Purchase Agreement**") for the purchase by Snam of 100% of the share capital of Italgas, the proprietary company of, *inter alia*, the Property Complex, consisting of land and overlying buildings, located in Rome, Ostiense area.

On 30 June 2009, the parties signed a private deed to implement the Sale and Purchase Agreement.

The Sale and Purchase Agreement, as integrated by the following agreements entered into by the parties, provides, in particular, for a commitment by Eni to purchase, from Italgas, the Property Complex and Eni's right to receive, from Snam, by way of adjustment of the price of Italgas shares and together with the sale of the Property Complex, an amount equal to the difference between the appraised value of the Property Complex and its RAB value as at 31 December 2007, after the deduction of fiscal charges and the duly documented ancillary costs associated with the sale of the Property Complex to Eni. In relation to the environmental costs, the Italgas' shares price adjustment mechanism will include the difference between the appraised value of those costs and the cost accounted for in the provisions for the environmental risks relating to the Property Complex in Italgas financial statements as at 31 December 2008.

In the event of failure to complete the sale and purchase of the Property Complex, and by virtue of the provisions in the Italgas Sale and Purchase Agreement, Snam has the right to be indemnified by Eni for environmental liabilities in excess of the amount recorded in the Italgas financial statements as at 31 December 2008 and for the related events that occurred prior to 30 June 2009 (the date of transfer of Italgas shares from Eni to Snam). It is also expected that Eni shall reimburse Snam for any environmental liabilities incurred and documented by Italgas after 31 December 2008, net of the corresponding tax effect.

In execution of the aforementioned agreements, on 24 October 2012 Snam and Eni signed a further agreement under which they agreed to make their respective subsidiaries, Italgas and Eniservizi S.p.A. (“**Eniservizi**”), sign a sale and purchase agreement relating to the Property Complex, preceded by a preliminary agreement.

On 8 April 2014, Eniservizi and Italgas signed the preliminary agreement for the sale of the Property Complex for €21,972,391.00, which was established as a fixed, unchangeable amount, regardless of the actual extent of remediation that will be necessary on the site. Consistent with the applicable accounting principles, the fund relating to the reclamation costs for the Property Complex was not adequate.

With respect to the business activity carried out by Italgas and by its subsidiaries, in addition to what has already been reported, the following should be noted.

The natural gas distribution service is based on concessions currently awarded by the individual municipalities in which Italgas operates. The distribution service consists of carrying gas through local pipelines from transportation network connection points to points for redelivery to end-users (domestic or industrial customers). The service is carried out on behalf of companies authorised to market gas.

Based on information provided to the Electricity, Gas and Water Authority (the “**AEEGSI**”), in 2014, approximately 230 companies distributed natural gas in approximately 7,100 municipalities in Italy, to approximately 23 million customers.

Italgas, along with its subsidiaries Napoletanagas S.p.A. (“**Napoletanagas**”) and ACAM Gas S.p.A. (“**ACAM Gas**”), manages a distribution network of approximately 57,000 km and has a gas distribution concession in 1,472 municipalities, of which 1,401 are operational, with 6.526 million active meters at Redelivery Points (“**RPs**”) for end-users.

The Italgas Group is Italy’s leading distributor of natural gas in urban areas in terms of number of RPs.

Italgas also has non-controlling interests in other natural gas distribution companies, for which it acts as the primary industrial shareholder. These companies, which are not consolidated by Italgas, are mentioned below.

The values shown below are taken from the respective financial statements, drafted in accordance with the provisions of the Civil Code (and Legislative Decree 127/1991 in the case of consolidated financial statements) and the accounting principles drawn up by the National Board of Certified Public Accountants and Bookkeepers and by the Italian Accounting Organisation (“**OIC**”).

- **Toscana Energia S.p.A. (48.08%)**

Toscana Energia S.p.A. (“**Toscana Energia**”) is 51.25% owned by public bodies, including a 20.6% stake held by the municipality of Florence, and 0.67% owned by private shareholders.

Toscana Energia performs the distribution service in 104 municipalities across Tuscany, with around 790,000 active RPs and more than 1 billion cubic metres of gas carried.

At 31 December 2015, Toscana Energia's revenues of some €125 million generated EBIT of approximately €61 million and a net profit of approximately €40 million.

- **Umbria Distribuzione Gas S.p.A. (45%)**

The remaining 55% of Umbria Distribuzione Gas S.p.A. ("**Umbria Distribuzione**") is owned by ASM Terni S.p.A. (40%) and Acea S.p.A. (15%).

As the holder of an 11-year mandate, as from August 2007, Umbria Distribuzione manages the natural gas distribution service in the Terni municipality, making use of an integrated system of infrastructure owned by Terni Reti S.r.l., a wholly owned subsidiary of the Terni municipality.

The natural gas distribution network managed by Umbria Distribuzione extends for 397 kilometres, with around 50,000 active RPs and 54 million cubic metres of gas carried in 2015.

At 31 December 2015, Umbria Distribuzione's revenues of approximately €6.5 million generated EBIT of some €550,000 and a net profit of approximately €310,000.

- **Metano S. Angelo Lodigiano S.p.A. (50%)**

The remaining 50% of Metano S. Angelo Lodigiano S.p.A. ("**Metano Lodigiano**") is owned by the municipality of S. Angelo Lodigiano.

Metano Lodigiano holds the gas distribution concessions in the municipalities of Sant'Angelo Lodigiano (LO), Villanova del Sillaro, Bargano suburb (LO), Castiraga Vidardo (LO), Marudo (LO) and Villanterio (PV).

Metano Lodigiano serves around 9,700 RPs and carries 17 million cubic metres of gas in 2015.

At 31 December 2015, Metano Lodigiano's revenues of approximately €1.5 million generated EBIT of some €540,000 and a net profit of approximately €350,000.

On 21 June 2016, the Italgas Board of Directors called the Shareholders' Meeting to be held on 18 July 2016 to resolve on the distribution of a dividend for the year 2015, amounting to € 274,563,390.96.

4.3 Effects on the assets and liabilities of the Demerger

4.3.1 Effects of the Demerger on the assets and liabilities of the Demerged Company

The Demerger will yield a proportional reduction of €1,569,211,964.76 in the Demerged Company's net asset, by way of a reduction of €961,181,518.44 in share capital and a

reduction of €608,030,446.32 in reserves. Specifically, the legal reserve will be reduced by €192,236,303.69 and the share premium reserve by €415,794,142.63.

Since Snam shares have no par value, the aforementioned share capital reduction will not result in any shares being cancelled.

4.3.2 *Effects of the Demerger on the assets and liabilities of the Beneficiary Company*

The Demerger will yield a corresponding increase of €1,569,211,964.76 in the Beneficiary Company's net asset, attributed (i) to share capital in the amount of €961,181,518.44, thereby increasing the share capital from €40,050,000 to €1,001,231,518.44 via the issuance of 700,127,659 new shares; and (ii) to reserves in the total amount of €608,030,446.32. The legal reserve will increase by €192,236,303.69 and the share premium reserve by €415,794,142.63.

A summary of the aforementioned effects on the assets and liabilities of the Demerged Company and the Beneficiary Company is shown below. In particular, the first column shows the Demerged Company's net asset items at 31 December 2015, while the second and third columns show, respectively, the post-Demerger breakdown of the net asset of the Beneficiary Company and the Demerged Company.

	Snam pre-Demerger (31 December 2015)	ITG Holding post- Demerger^(*)	Snam post-Demerger
Share capital	3,696,851,994.00	961,181,518.44	2,735,670,475.56
Legal reserve	739,370,398.80	192,236,303.69	547,134,095.11
Share premium reserve	1,604,214,715.01	415,794,142.63	1,188,420,572.38
Other reserves	(29,979,837.77)		(29,979,837.77)
Net profit	824,675,951.88		824,675,951.88
Total	6,835,133,221.92	1,569,211,964.76	5,265,921,257.16

(*) The items of net asset awarded to ITG Holding after the Demerger and allocated to the share capital and legal reserve have been calculated on a proportional basis, *i.e.* the ratio of the Demerged Assets and Liabilities to Snam's net asset at 31 December 2015, net of the effects of allocating 2015 income, as decided by the Shareholders' Meeting of 27 April 2016. The amount allocated to the share premium reserve was calculated on top of the total value of the Demerged Assets and Liabilities.

The following table summarises the financial effects on the net asset of the Demerger and Beneficiary Company resulting from the entire Transaction (constitution of ITG Holding, Transfer, Sale and Demerger), also including the effects resulting from the allocation of the net profit for 2015, approved by the Shareholders' Meeting of 27 April 2016.

(€ million)

Snam	31 December 2015 (prior to the Transaction)	2015 dividend distribution	Snam post dividend distribution	Sale	Demerger	Snam post Transaction
Share capital	3,697		3,697		(961)	2,736
Legal reserve	739		739		(192)	547
Share premium reserve	1,603	(50)	1,553		(416)	1,137
Other reserves	(29)		(29)	350 ^(*)		321
Net profit	825	(825)				
Net asset attributable to Snam	6,835	(875)	5,960	350	(1,569)	4,741

ITG Holding	Constitution	Transfer	Sale	Demerger	ITG Holding post Transaction
Share capital	€50,000	40		961	1,001
Legal reserve				192	192
Share premium reserve		204		416	620
Other reserves			(350) ^(*)		(350)
Net asset of ITG Holding		244	(350)	1,569	1,463

^(*) The reserve, a positive value for the Demerged Company and a negative value for the Beneficiary Company, is recognised against the Sale and is equal to the difference between the Sale price and the corresponding fraction of the cost of the holding.

ALLOCATION OF SHARES OF THE BENEFICIARY COMPANY

As a result of the Demerger, Snam's shareholders will be allocated shares in the Beneficiary Company in proportion to the number of shares held by each shareholder in the Demerged Company at the time of the Demerger. The allocation will take place based on a ratio of one ordinary share of the Beneficiary Company for every five Snam shares held. After the allocation, Snam's shareholders will hold a total share of 86.50% of the share capital of the Beneficiary Company. No cash adjustment is therefore provided for.

This ratio may mean that individual shareholders are entitled to a number of new shares that is not a whole number. Therefore, to facilitate the transactions, Snam will engage an authorized intermediary to trade the fractional shares of the Beneficiary Company, through the depositary intermediaries enrolled with Monte Titoli S.p.A., within the limits required to enable shareholders to hold, to the highest possible extent, a whole number of shares.

5. MODALITIES OF ALLOCATION OF THE SHARES OF THE BENEFICIARY COMPANY

The shares of the Beneficiary Company will be awarded to entitled parties electronically using authorised intermediaries, starting from the effective date of the Demerger and according to the time frames and methods published with suitable notice.

Subject to the issue of the necessary authorisations at the time of allocation, the shares of the Beneficiary Company will be admitted to trading on the MTA. The initial date of trading of ITG Holding shares on the MTA will be established by Borsa Italiana by a specific order.

In exchange for the treasury shares held by Snam at the date of this Demerger Plan (1,127,250), which will not be allocated, in addition to retaining the above shares, the Demerged Company will receive 225,450 shares of the Beneficiary Company.

In addition to such number of shares, the following should be taken into account (i) the Beneficiary Company shares held by Snam as at the date of this Demerger Plan, resulting from the incorporation of the Beneficiary Company (50,000), and (ii) the ITG Holding shares that will be awarded to Snam following the Transfer of its 8.23% stake in Italgas to ITG Holding (108,957,843).

As a result of the above, Snam will hold 13.50% of the Beneficiary Company's share capital after the Transaction.

6. CONDITIONS FOR THE COMPLETION AND THE EFFECTIVENESS OF THE DEMERGER

In addition to the conditions of law, including, specifically, the favourable vote of the Snam Shareholders' Meeting, the efficacy of the Transaction is conditioned upon:

- (i) the issuance of Borsa Italiana's order admitting the Beneficiary Company's shares to trading on the MTA;
- (ii) the issuance of the judgement of equivalence by Consob pursuant to Article 57, paragraph 1, letter d) of the Issuer Regulations in relation to the Information Document, supplemented pursuant to said Article; and
- (iii) the approval of the Transaction by the bondholders of the Demerged Company.

Subsequent to the Transaction, the Beneficiary Company shares will be traded on the MTA.

The schedule of the Transaction provides that, subject to the fulfillment of the conditions set out under points (i), (ii) and (iii), the Demerger will probably take effect by 31 December 2016.

At any time, even following approval of the Demerger Plan by the shareholders of the companies involved in the Demerger, the proceedings whereby the Beneficiary Company's shares are admitted to trading on the MTA could be interrupted or suspended, if suitable conditions to pursue the listing were deemed not present.

In addition, the deeds relating to the Transaction are conditional, so as to ensure that the individual steps into which the Transaction is divided occur in a unitary and substantially simultaneous manner.

At the date of this Demerger Plan, the Beneficiary Company does not plan to request the admission to trading of its shares on other markets.

7. DEMERGER EFFECTIVE DATE AND DATE OF CONTRIBUTION TO THE PROFITS OF THE BENEFICIARY

The Demerger will take legal effect on the later of: the date when the Demerger deed is recorded in the relevant Companies Register pursuant to Article 2506-*quater* of the Civil Code or on the date indicated in the Demerger deed. The effective date of the Demerger shall coincide with the start date of negotiations about the shares of ITG Holding on the MTA. The Demerger is likely to take effect before 31 December 2016.

Equally, the shares of the Beneficiary Company awarded to the Demerged Company's shareholders will qualify for a share of the Beneficiary Company's profits as of the aforementioned legal effective date of the Demerger

The Transaction is being conducted under the going-concern principle insofar as it is assumed it is a business combination involving entities or businesses under common control, since the companies participating in the business combination (Snam, ITG Holding and Italgas) are and will remain consolidated as a result of the Transaction, as defined by IFRS 10 – Consolidated Financial Statements, by the same entity (CDP).

Pursuant to Article 2501-*ter*, No 6 of the Civil Code, referred to in Article 2506-*quater* of the Civil Code, the accounting effects of the Demerger will apply as of the effective date of the Demerger, as set out in the previous paragraph. As such, the accounting effects of the Demerger will be applied to the Beneficiary Company's financial statements as of said effective date of the Demerger.

8. TREATMENT RESERVED FOR SPECIFIC SHAREHOLDER CATEGORIES

No shares of the Demerged Company exist, other than ordinary shares.

At the date of this Demerger Plan, the Demerged Company has no share incentive plans involving the allocation of Snam shares.

Long-term variable incentives

Snam has two types of plans in place:

- (i) The Deferred Monetary Incentive Plans (“**DMI Plans**”), reserved for managers of the Demerged Company who met their predefined individual targets in the previous year and are eligible for the Leadership Development Programme¹, which award a basic incentive to be paid out after three years depending on the Company’s performance during that period. This performance is calculated as the average Snam Group EBITDA in the three-year period measured in comparison to budget forecasts. The DMI Plans aims to motivate and retain managers, as well as establish a closer tie between targets, performance and incentives.
- (ii) The Long-Term Monetary Incentive Plans (“**LTMI Plans**”), for the Chief Executive Officer, managers with strategic responsibilities and other managers that have a greater impact on the corporate results. Such plans are a tool to incentivize management and increase loyalty and provide for the annual allocation of a basic incentive award to be paid after three years and vary according to performance criteria relating to:
 - a. adjusted net income as compared with to the adjusted net income forecast in the budget (with a weighting of 60%);
 - b. performance of the Total Shareholder Return as compared to the performance of the Total Shareholder Return of a peer group (with a weighting of 40%).

The LTMI Plans are intended to support corporate profitability and guarantee a greater alignment to the interests of shareholders in the medium- to long-term.

Short-term variable incentives

Snam has also adopted an incentive plan involving an annual payout (“**AMI Plan**”) aimed at motivating and focusing managers in the short term, in line with the corporate objectives set out by the Board of Directors. The amount of the short-term incentive depends on the position held and company and individual performance in the previous year.

¹ The *Leadership Development Programme* is a programme dedicated to the development of human resources showing constant performance, a strong passion for work and courage in breaking new ground and aims to accelerate the growth of participants. The access to the program is selective and the participation in the program is confirmed every year on the basis of the targets achieved.

With reference to the Long-term and Short-term Variable Incentives Plan for the Chief Executive Officer and managers with strategic responsibilities, see the 2016 Remuneration Report of Snam (www.snam.it).

9. SPECIFIC BENEFITS FOR DIRECTORS OF THE COMPANIES PARTICIPATING IN THE DEMERGER

No specific benefits are expected for directors of the companies participating in the Demerger.

This is without prejudice to (i) any additions and/or changes to the Demerger Plan and its annexes required by the appropriate authorities and market management companies; (ii) updates (including numerical) connected and/or consequent to the provisions of the Demerger Plan; and (iii) any amendments that do not affect the rights of shareholders or third parties, pursuant to Article 2502, paragraph 2 of the Civil Code.

Annexes:

- A. Post-Demerger bylaws of Snam S.p.A.;
- B. Post-Demerger bylaws of ITG Holding S.p.A.;
- C. Statement of Financial Position of ITG Holding as at 1 June 2016

28 June 2016

For Snam S.p.A.

CEO

(Marco Alverà)

For ITG Holding S.p.A.
(Authorized Signatory)

SNAM S.p.A. BYLAWS	<u>SNAM-ITG HOLDING</u> S.p.A. BYLAWS¹
<u>Chapter I- ESTABLISHMENT AND CORPORATE PURPOSE</u>	<u>Chaper I- ESTABLISHMENT AND CORPORATE PURPOSE</u>
ARTICLE 1	ARTICLE 1
1.1 The Company “ Snam S.p.A. ” is governed by these Bylaws. The name may be written in any font in either upper or lower case letters.	1.1 The Company “ Snam <u>ITG Holding</u> S.p.A.” is governed by these Bylaws. The name may be written in any font in either upper or lower case letters ² .
ARTICLE 2	ARTICLE 2
2.1 The corporate purpose is to exercise, directly or indirectly, in Italy and abroad, including through direct or indirect equity investments in companies, entities or enterprises, in regulated activities involving transportation, dispatching, distribution, regasification and storage of hydrocarbons, as well as any other economic activity that is linked through whatever degree of importance to one or more of the activities mentioned above, including the production of hydrocarbons associated with activities for storage thereof, the storage of other gases, the activity of energy metering, as well as the	<u>2.1</u> The corporate purpose is to exercise, directly or indirectly, in Italy and abroad, including through direct or indirect equity investments in companies, entities or enterprises, in regulated activities <u>in the gas sector, and in particular distribution and metering of any kind of gas in all its applications. involving transportation, dispatching, distribution, regasification and storage of hydrocarbons,</u> <u>2.1.2</u> <u>The Company may</u> as well as <u>exercise in</u> any other economic activity that is linked through whatever degree of importance to one or more of the activities mentioned above <u>, including the</u>

¹ The shareholders’ meetings called to approve the Demerger Plan may resolve to amend the corporate name and the head office.

² The shareholders’ meetings called to approve the Demerger Plan may resolve to amend the corporate name and the head office.

<p>management of organised gas markets; all in observance of the concessions provided for by law.</p> <p>2.2 In pursuance of the corporate purpose and instrumental thereto, the Company:</p> <ul style="list-style-type: none">- may take all actions necessary or appropriate for the achievement of the corporate purpose, by way of example, industrial, commercial, securities, property and financial operations, as assets or liabilities, and any activity that is connected to the achievement of the corporate purpose, including technical and scientific research – the acquisition of technical patents related to activities developed and the activities of the study, design, construction, acquisition, management and operation of complex systems of transportation, transportation infrastructure, information technology and telecommunications, with the exception of the collection of public savings and the performance of activities regulated by law on financial intermediation;- shall undertake the technical,	<p>production of hydrocarbons associated with activities for storage thereof, the storage of other gases, the activity of energy metering, as well as the management of organised gas markets; all in observance of the concessions provided for by law(and, thus, for example, and <u>within the limits provided by the <i>pro tempore</i> sectorial provisions in force, any activity included in the gas and hydrocarbons sector), as well as <u>any activity to be exercised through an infrastructure homogeneous to the performance of the activities listed in the first paragraph of this article.</u></u></p> <p><u>2.22.3</u> In pursuance of the corporate purpose and instrumental thereto, the Company:</p> <ul style="list-style-type: none">- may take all actions necessary or appropriate for the achievement of the corporate purpose, by way of example, industrial, commercial, securities, property and financial operations, as assets or liabilities, and any activity that is connected to the achievement of the corporate purpose, including technical and scientific research – the acquisition of technical patents related to activities developed and the activities of the study, design,
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<p>industrial and financial coordination of subsidiaries and the provision of the appropriate financial assistance and services by those required;</p> <ul style="list-style-type: none"> - may engage in activities connected with the protection and restoration of the environment and land conservation; - in its operations will uphold the principles of equal treatment of shippers, transparency, impartiality and neutrality in transporting and dispatching, in compliance with the applicable regulations and provisions of the Law. In particular, the Company, in accordance with the principles of cost-effectiveness, profitability and maximisation of shareholders' investment, and without prejudice to the requirements of confidentiality of company data, carries out its corporate purpose with the intention of promoting competition, efficiency and the appropriate levels of quality in providing services. To this end: <ul style="list-style-type: none"> • guarantees impartiality in the 	<p>construction, acquisition, management and operation of complex systems of transportation, transportation infrastructure, information technology and telecommunications, with the exception of the collection of public savings, <u>carrying out vis-a-vis the public activities which are qualified by the law as financial activities,</u> and the performance of activities regulated by law on financial intermediation;</p> <ul style="list-style-type: none"> - shall undertake the technical, industrial and financial coordination of subsidiaries and the provision of the appropriate financial assistance and services by those required; - may engage in activities connected with the protection and restoration of the environment and land conservation; - in its operations will uphold the principles of equal treatment of shippers, transparency, impartiality and neutrality in transporting and dispatching, in compliance with the applicable regulations and provisions of the Law. In particular, the Company, in accordance with
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<p>management of essential infrastructures for the development of a free energy market;</p> <ul style="list-style-type: none">• prevents discrimination in the access to commercially sensitive information;• prevents the exchange of resources between segments of the supply chains. <p style="text-align: center;">ARTICLE 3</p> <p>3.1 The Company's head office is in San Donato Milanese, Milan, Piazza Santa Barbara 7.</p> <p>3.2 Additional offices, branches, agencies, subsidiaries and representative offices may be established or wound up in Italy and abroad.</p> <p style="text-align: center;">ARTICLE 4</p> <p>4.1 The duration of the Company is until 31 December 2100 and may be extended one or more times, by resolution of the Shareholders' Meeting.</p> <p style="text-align: center;"><u>Chapter II– SHARE CAPITAL OF THE COMPANY</u></p>	<p>the principles of cost-effectiveness, profitability and maximisation of shareholders' investment, and without prejudice to the requirements of confidentiality of company data, carries out its corporate purpose with the intention of promoting competition, efficiency and the appropriate levels of quality in providing services. To this end:</p> <ul style="list-style-type: none">• guarantees impartiality in the management of essential infrastructures for the development of a free energy market;• prevents discrimination in the access to commercially sensitive information;• prevents the exchange of resources between segments of the supply chains. <p style="text-align: center;">ARTICLE 3</p> <p>3.1 The Company's head office is in San Donato Milanese, Milan, Piazza Santa Barbara 7³.</p> <p>3.2 Additional offices, branches,</p>
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³ [The shareholders' meetings called to approve the Demerger Plan may resolve to amend the corporate name and the head office.](#)

<p style="text-align: center;">ARTICLE 5</p> <p>5.1 The share capital amounts to € 2,735,670,475.56 (two billion, seven hundred thirty-five million, six hundred seventy thousand, four hundred seventy five point fifty six), divided into no. 3,500,638,294 (three billion, five hundred million, six hundred thirty eight thousand, two hundred ninety-four hundred) shares with no par value.</p> <p>5.2 The Shareholders' Meeting may decide to increase capital by imposing terms, conditions and procedures. The capital may be increased: with in-kind contributions and credits and by issuing new shares, including special categories, to be allocated for free under Article 2349 of the Italian Civil Code.</p> <p style="text-align: center;">ARTICLE 6</p> <p>6.1 The shares are registered and may not be split. Each share carries the right to one vote.</p> <p>6.2 Where a share is jointly owned, the shareholders' rights are exercised by a single representative. The provisions regarding representation, legitimation and circulation of the shares envisaged for shares traded on regulated markets are</p>	<p>agencies, subsidiaries and representative offices may be established or wound up in Italy and abroad.</p> <p style="text-align: center;">ARTICLE 4</p> <p>4.1 The duration of the Company is until 31 December 2100 and may be extended one or more times, by resolution of the Shareholders' Meeting.</p> <p style="text-align: center;"><u>Chaper II– SHARE CAPITAL OF THE COMPANY</u></p> <p style="text-align: center;">ARTICLE 5</p> <p>5.1 The share capital amounts to €1,001,231,518.442.735.670.475,56 <u>(one billion, one million, two hundred thirty one thousand, five hundred eighteen point forty four)</u>(two billion, seven hundred thirty five million, six hundred seventy thousand, four hundred seventy five point fifty six), divided into no. 3,500,638,294<u>809,135,502</u> (three billion, five eight hundred nine million, one hundred thirty five thousand, five hundred two)hundred million, six hundred thirty eight thousand, two hundred ninety-four shares with no indication of nominal value.</p> <p>5.2 The Shareholders' Meeting may decide to</p>
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<p>confirmed.</p> <p>6.3 Payments on shares shall be requested by the Board of Directors on one or more occasions. Default interest on late payments shall be charged at the legal rate of interest and Article 2344 of the Italian Civil Code applies.</p> <p>6.4 Withdrawal shall be allowed only in those cases envisaged in compulsory provisions of law and in any case, shall not be permitted in the case of extension of the duration, as well introduction, modification or removal of constraints regarding the circulation of shares.</p> <p>6.5 Shareholder status, in and of itself, implies the unconditional adherence to these Bylaws.</p> <p>6.6 The domicile of shareholders, other parties with voting rights, directors, auditors and the statutory audit Company, for the purposes of their relations with the Company, is the one indicated in the corporate books or in subsequent notifications sent by said persons.</p>	<p>increase capital by imposing terms, conditions and procedures. The capital may be increased: with in-kind contributions and credits and by issuing new shares, including special categories, to be allocated for free under Article 2349 of the Italian Civil Code.</p> <p style="text-align: center;">ARTICLE 6</p> <p>6.1 The shares are registered and may not be split. Each share carries the right to one vote.</p> <p>6.2 Where a share is jointly owned, the shareholders' rights are exercised by a single representative. The provisions regarding representation, legitimation and circulation of the shares envisaged for shares traded on regulated markets are confirmed.</p> <p>6.3 Payments on shares shall be requested by the Board of Directors on one or more occasions. Default interest on late payments shall be charged at the legal rate of interest and Article 2344 of the Italian Civil Code applies.</p> <p>6.4 Withdrawal shall be allowed only in those cases envisaged in compulsory provisions of law and in any case, shall not be permitted in the case of</p>
<p style="text-align: center;">ARTICLE 7</p> <p>7.1 The Company may issue bonds, including convertible bonds or warrant</p>	

<p>bonds and other certificates of indebtedness in the correct legal forms.</p>	<p>extension of the duration, as well introduction, modification or removal of constraints regarding the circulation of shares.</p>
<p><u>Chapter III – SHAREHOLDERS’ MEET</u></p>	<p>6.5 Shareholder status, in and of itself, implies the unconditional adherence to these Bylaws.</p>
<p><u>ING</u></p>	<p>6.6 The domicile of shareholders, other parties with voting rights, directors, auditors and the statutory audit Company, for the purposes of their relations with the Company, is the one indicated in the corporate books or in subsequent notifications sent by said persons.</p>
<p>ARTICLE 8</p>	<p>ARTICLE 7</p>
<p>8.1 Shareholders’ Meetings shall be either ordinary or extraordinary.</p>	<p>7.1 The Company may issue bonds, including convertible bonds or warrant bonds and other certificates of indebtedness in the correct legal forms.</p>
<p>8.2 The ordinary Shareholders’ Meeting shall be called to approve the financial statements at least once a year, within 180 days of the closing of the financial year, since the Company is required to prepare consolidated financial statements.</p>	<p><u>Chaper III – SHAREHOLDERS’ MEET</u></p>
<p>8.3 Shareholders’ Meetings shall be held in Italy.</p>	<p><u>ING</u></p>
<p>ARTICLE 9</p>	<p>ARTICLE 8</p>
<p>9.1 The Shareholders’ Meeting shall be convened by notice published in terms and manner prescribed by current legislation. Shareholders’ meetings shall be convened in a single call only.</p>	<p>8.1 Shareholders’ Meetings shall be either ordinary or extraordinary.</p>
<p>ARTICLE 10</p>	<p>8.2 The ordinary Shareholders’ Meeting shall be called to approve the financial</p>
<p>10.1 Participation in the Shareholders’ Meeting is governed by provisions of law, by the Bylaws and by the provisions contained in the notice of call</p>	

<p>of the Meeting.</p> <p>10.2 The legitimisation of participation in the Shareholders' Meeting is governed by the provisions of the law. Those with voting rights may be represented by written proxy within the legal limits; notice of this proxy may be given by certified email. The related documents shall be kept by the Company.</p> <p>10.3 The Company shall provide space to enable associations of shareholders who fulfil the relevant legal requirements under the terms and conditions agreed upon with their legal representatives from time to time to post notices and to collect proxies on behalf of shareholders who are employees of the Company or its subsidiaries.</p> <p>10.4 It is the duty of the Chairman of the Shareholders' Meeting to ensure the validity of proxies and the right to participation in the Shareholders' Meeting.</p> <p>10.5 The conduct of Shareholders' Meetings is governed by meeting regulations approved by the ordinary Shareholders' Meeting.</p> <p style="text-align: center;">ARTICLE 11</p>	<p>statements at least once a year, within 180 days of the closing of the financial year, since the Company is required to prepare consolidated financial statements.</p> <p>8.3 Shareholders' Meetings shall be held in Italy.</p> <p style="text-align: center;">ARTICLE 9</p> <p>9.1 The Shareholders' Meeting shall be convened by notice published in terms and manner prescribed by current legislation. Shareholders' meetings shall be convened in a single call only.</p> <p style="text-align: center;">ARTICLE 10</p> <p>10.1 Participation in the Shareholders' Meeting is governed by provisions of law, by the Bylaws and by the provisions contained in the notice of call of the Meeting.</p> <p>10.2 The legitimisation of participation in the Shareholders' Meeting is governed by the provisions of the law. Those with voting rights may be represented by written proxy within the legal limits; notice of this proxy may be given by certified email. The related documents shall be kept by the Company.</p> <p>10.3 The Company shall provide space to</p>
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<p>11.1 The Shareholders' Meeting, legally convened and constituted, represents all the shareholders. Its decisions are binding on all the shareholders even if they did not participate in the Meetings, or abstained or voted against them.</p> <p>11.2 The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in the event of his absence or impediment, by the person appointed by a majority of the shareholders present.</p> <p>11.3 The Shareholders' Meeting appoints a Secretary, who need not be a shareholder.</p> <p>11.4 The minutes of the Shareholders' Meeting are written by the Secretary and signed by the Secretary and the Chairman; the minutes of the extraordinary Shareholders' Meetings are written by a notary and signed by the Chairman.</p> <p>The copies of the minutes certified as correct by their writer and the Chairman constitute the legal record.</p> <p style="text-align: center;">ARTICLE 12</p> <p>12.1 The validity of the formation of Shareholders' Meetings is established by law.</p>	<p>enable associations of shareholders who fulfil the relevant legal requirements under the terms and conditions agreed upon with their legal representatives from time to time to post notices and to collect proxies on behalf of shareholders who are employees of the Company or its subsidiaries.</p> <p>10.4 It is the duty of the Chairman of the Shareholders' Meeting to ensure the validity of proxies and the right to participation in the Shareholders' Meeting.</p> <p>10.5 The conduct of Shareholders' Meetings is governed by meeting regulations approved by the ordinary Shareholders' Meeting.</p> <p style="text-align: center;">ARTICLE 11</p> <p>11.1 The Shareholders' Meeting, legally convened and constituted, represents all the shareholders. Its decisions are binding on all the shareholders even if they did not participate in the Meetings, or abstained or voted against them.</p> <p>11.2 The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in the event of his absence or impediment, by the person appointed</p>
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<p>12.2 The Ordinary Shareholders' Meeting authorises resolutions concerning disposal, contribution, leasing, usufruct and any other act of disposition, including those that apply to joint ventures, or subject to business restrictions or strategically relevant business units involving gas transportation or dispatching activity, notwithstanding the directors' responsibility for the acts carried out, pursuant to Article 2364 no. 5 of the Italian Civil Code. Resolutions in such matters are adopted by a favourable vote of shareholders representing at least three-fourths of the capital present at the meeting.</p> <p>12.3 For other matters within its powers, the ordinary Shareholders' Meeting decides with the majorities set by law.</p> <p>12.4 The extraordinary Shareholders' Meeting resolves with a majority of at least three-fourths of the capital present at the meeting.</p> <p>12.5 The Board of Directors is responsible for passing resolution on the following issues:</p> <ul style="list-style-type: none">- a merger in the cases envisaged in Articles 2505 and 2505-<i>bis</i> of the	<p>by a majority of the shareholders present.</p> <p>11.3 The Shareholders' Meeting appoints a Secretary, who need not be a shareholder.</p> <p>11.4 The minutes of the Shareholders' Meeting are written by the Secretary and signed by the Secretary and the Chairman; the minutes of the extraordinary Shareholders' Meetings are written by a notary and signed by the Chairman.</p> <p>The copies of the minutes certified as correct by their writer and the Chairman constitute the legal record.</p> <p style="text-align: center;">ARTICLE 12</p> <p>12.1 The validity of the formation of Shareholders' Meetings <u>and of its resolutions</u> is established by law.</p> <p>12.2 12.2 The Ordinary Shareholders' Meeting authorises resolutions concerning disposal, contribution, leasing, usufruct and any other act of disposition, including those that apply to joint ventures, or subject to business restrictions or strategically relevant business units involving gas transportation or dispatching activity, notwithstanding the directors' responsibility for the acts carried out,</p>
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<p>Italian Civil Code, also in the case of de-merger;</p> <ul style="list-style-type: none"> – opening, modification and closure of additional offices; – reduction of the share capital in the case of withdrawal of shareholders; – amendments of Bylaws to comply with legislative provisions; – transfer of the company's registered office within the domestic territory. 	<p>pursuant to Article 2364 no. 5 of the Italian Civil Code. Resolutions in such matters are adopted by a favourable vote of shareholders representing at least three-fourths of the capital present at the meeting.</p> <p>12.3 12.3 For other matters within its powers, the ordinary Shareholders' Meeting decides with the majorities set by law.</p> <p>12.4 12.4 The extraordinary Shareholders' Meeting resolves with a majority of at least three-fourths of the capital present at the meeting.</p>
<p><u>Chapter IV – BOARD OF DIRECTORS</u></p>	
<p>ARTICLE 13</p>	
<p>13.1 The Company is managed by a Board of Directors made up of no less than five members and no more than nine; their number and their term of office are established by the Shareholders' Meeting at the time of appointment.</p>	<p>12.5<u>12.2</u> The Board of Directors is responsible for passing resolution on the following issues:</p> <ul style="list-style-type: none"> – a merger in the cases envisaged in Articles 2505 and 2505-bis of the Italian Civil Code, also in the case of de-merger;
<p>13.2 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 year of their term of office; they may be re-elected.</p>	<ul style="list-style-type: none"> – opening, modification and closure of additional offices; – reduction of the share capital in the case of withdrawal of shareholders; – amendments of Bylaws to comply with legislative provisions; – transfer of the company's registered office within the domestic territory.
<p>13.3 Pursuant to the pro tempore provisions in</p>	

<p>force on gender representation, the Board of Directors is appointed by the Shareholders' Meeting based on the lists submitted by the shareholders. In these lists, the candidates must be listed by consecutive number.</p> <p>Lists are filed at the registered office by the twenty-fifth day prior to the date of the Shareholders' Meeting called to resolve on the appointment of the members of the Board of Directors and made available to the public by the methods provided for by law and by Consob regulations at least twenty-one days prior to the date of the Shareholders' Meeting.</p> <p>Each shareholder may submit or be involved in submitting only one list and may vote on only one list, according to the terms provided for by the abovementioned legal and regulatory provisions. Each candidate may run as a candidate on only one list, subject to ineligibility.</p> <p>Only shareholders who alone or together with other shareholders represent at least 2% or are the owners overall of another percentage of shares stipulated by Consob regulations are entitled to submit lists. The ownership of the minimum percentage necessary for the submission of lists is determined considering the shares registered in the shareholder's favour on the date on which the lists are filed</p>	<p style="text-align: center;"><u>Chaper IV – BOARD OF DIRECTORS</u></p> <p style="text-align: center;">ARTICLE 13</p> <p>13.1 The Company is managed by a Board of Directors made up of no less than five members and no more than nine members; <u>their number and</u> their term of office are <u>is</u> established by the Shareholders' Meeting at the time of appointment.</p> <p>13.2 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 year of their term of office; they may be re-elected.</p> <p>13.3 Pursuant to the pro tempore provisions in force on gender representation, the Board of Directors is appointed by the Shareholders' Meeting based on the lists submitted by the shareholders. In these lists, the candidates must be listed by consecutive number.</p> <p>Lists are filed at the registered office by the twenty-fifth day prior to the date of the Shareholders' Meeting called to resolve on the appointment of the members of the Board of Directors and made available to the public by</p>
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<p>at the Company.</p> <p>For purposes of corroborating ownership of the number of shares necessary for the submission of lists, shareholders must produce the respective certification issued in accordance with the law by authorised intermediaries by the deadline provided for publication of the lists by the Company.</p> <p>If there are no more than seven directors on the board, at least one must satisfy the independence criteria established for auditors of listed companies; however, with more than seven directors on the board, at least three must satisfy the independence criteria.</p> <p>Candidates meeting the aforesaid independence requirements must be specifically identified on the lists.</p> <p>Pursuant to the Prime Minister's Decree of 25 May 2012 laying down the “Criteria, conditions and arrangements for the adoption of the Snam S.p.A. unbundling model pursuant to Article 15 of Law 27 of 24 March 2012”, directors may not sit on the administrative board or supervisory board nor hold office in eni S.p.A. or its subsidiaries, nor deal directly or indirectly, on a professional or financial basis, with such companies.</p> <p>All candidates must also meet the honesty requirements provided for by current provisions.</p>	<p>the methods provided for by law and by Consob regulations at least twenty-one days prior to the date of the Shareholders’ Meeting.</p> <p>Each shareholder may submit or be involved in submitting only one list and may vote on only one list, according to the terms provided for by the abovementioned legal and regulatory provisions. Each candidate may run as a candidate on only one list, subject to ineligibility.</p> <p>Only shareholders who alone or together with other shareholders represent at least 2% or are the owners overall of another percentage of shares stipulated by Consob regulations are entitled to submit lists. The ownership of the minimum percentage necessary for the submission of lists is determined considering the shares registered in the shareholder’s favour on the date on which the lists are filed at the Company.</p> <p>For purposes of corroborating ownership of the number of shares necessary for the submission of lists, shareholders must produce the respective certification issued in accordance with the law by authorised intermediaries by the deadline provided for publication of the lists by the Company.</p> <p>If there are no more than seven directors on the board, aAt least onethree <u>directors</u> must satisfy the independence criteria established</p>
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<p>In order to comply with applicable regulations on gender representation, in the lists containing three or more candidates, candidates of each gender shall be present, in accordance with the notice of call of the Shareholders' Meeting. Where the number of the least represented gender must, by law, be at least three, the presented lists for the appointment of the majority of the Board of Directors' members must include at least two candidates of the least represented gender.</p> <p>Together with each list, subject to its admissibility, a curriculum vitae must be filed for each candidate as well as the candidates' statements accepting their candidacy and certifying, under their own cognisance, the lack of grounds for ineligibility or incompatibility, as well as the fact that they satisfy the honesty and possible independence requirements.</p> <p>The directors appointed must inform the Company of any loss of the independence and honesty requirements, as well as the occurrence of causes of ineligibility or incompatibility.</p> <p>13.4 The Board shall periodically evaluate the independence and honesty of the directors, as well as the lack of grounds for ineligibility or incompatibility. In the event a director does not meet or</p>	<p>for auditors of listed companies; however, with more than seven directors on the board, at least three must satisfy the independence criteria.</p> <p>Candidates meeting the aforesaid independence requirements must be specifically identified on the lists.</p> <p>Pursuant to the Prime Minister's Decree of 25 May 2012 laying down the "Criteria, conditions and arrangements for the adoption of the Snam S.p.A. unbundling model pursuant to Article 15 of Law 27 of 24 March 2012", directors may not sit on the administrative board or supervisory board nor hold office in eni S.p.A. or its subsidiaries, nor deal directly or indirectly, on a professional or financial basis, with such companies.</p> <p>All candidates must also meet the honesty requirements provided for by current provisions.</p> <p>In order to comply with applicable regulations on gender representation, in the lists containing three or more candidates, candidates of each gender shall be present, in accordance with the notice of call of the Shareholders' Meeting. Where the number of the least represented gender must, by law, be at least three, the presented lists for the appointment of the majority of the Board of Directors' members must include at least two candidates</p>
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<p>ceases to meet the independence or honesty requirements declared or legally required, or if grounds for ineligibility or incompatibility should exist, the Board shall dismiss the director and replace him/her or ask him/her to desist from the reason of incompatibility within a pre-determined time period, else face dismissal from office.</p> <p>13.5 Directors shall be elected as follows:</p> <ul style="list-style-type: none">a) seven tenths of the directors to be elected shall be taken from the list receiving the majority of the shareholders' votes in the consecutive order in which they appear on the list, rounding down to the nearest whole number if the number is a decimal;b) the remaining directors shall be taken from the other lists, which may not be associated in any way, even indirectly, to shareholders who have submitted or voted for the list which came in first in number of votes; for that purpose, the votes won by said lists shall be divided successively by one,	<p>of the least represented gender.</p> <p>Together with each list, subject to its admissibility, a curriculum vitae must be filed for each candidate as well as the candidates' statements accepting their candidacy and certifying, under their own cognisance, the lack of grounds for ineligibility or incompatibility, as well as the fact that they satisfy the honesty and possible independence requirements.</p> <p>The directors appointed must inform the Company of any loss of the independence and honesty requirements, as well as the occurrence of causes of ineligibility or incompatibility.</p> <p>13.4 The Board shall periodically evaluate the independence and honesty of the directors, as well as the lack of grounds for ineligibility or incompatibility. In the event a director does not meet or ceases to meet the independence or honesty requirements declared or legally required, or if grounds for ineligibility or incompatibility should exist, the Board shall dismiss the director and replace him/her or ask him/her to desist from the reason of incompatibility within a pre-determined time period, else face dismissal from office.</p> <p>13.5 Directors shall be elected as follows:</p>
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<p>two or three, depending on the consecutive number of directors to be elected. The quotients thus obtained shall be assigned progressively to candidates from each of these lists, according to the order shown in them. The quotients thus assigned to candidates from the different lists shall be arranged in a single decreasing gradation. Those obtaining the highest quotients shall be elected. If several candidates obtain the same quotient, the candidate from the list which has not yet elected any director or that has elected the smallest number of directors shall be elected. If none of these lists has yet elected a director or if all have elected the same number of directors, the candidate from the list obtaining the greatest number of votes shall be elected. If the voting on lists is tied and the quotient is also tied, a new vote by the entire Shareholders' Meeting shall be held, and the candidate winning a simple majority of votes shall</p>	<p>a) seven tenths of the directors to be elected shall be taken from the list receiving the majority of the shareholders' votes in the consecutive order in which they appear on the list, rounding down to the nearest whole number if the number is a decimal;</p> <p>b) the remaining <u>two</u> directors shall be taken from the other lists, which may not be associated in any way, even indirectly, to shareholders who have submitted or voted for the list which came in first in number of votes; for that purpose, the votes won by said lists shall be divided successively by one <u>and</u>; two or three, depending on the consecutive number of directors to be elected. The quotients thus obtained shall be assigned progressively to candidates from each of these lists, according to the order shown in them. The quotients thus assigned to candidates from the different lists shall be arranged in a single</p>
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<p>be elected;</p> <p>c) if, after following the procedure described above, the minimum number of independent directors required by the Bylaws is not elected, the quotient of votes to be attributed to each candidate is taken from the lists, dividing the number of votes for each list by the order number of each of these candidates; non-independent candidates with the lowest quotients among the candidates taken from all the lists shall be replaced, starting from the very lowest, by the independent candidates taken from the same list as the candidate being replaced (following the order in which they are listed); otherwise, they shall be replaced by people who meet the independence criteria and appointed in accordance with the procedure mentioned in letter d). If candidates taken from different lists have obtained the same quotient, the candidate from the list from which the highest number of</p>	<p>decreasing gradation. Those obtaining the highest quotients shall be elected. If several candidates obtain the same quotient, the candidate from the list which has not yet elected any director or that has elected the smallest number of directors shall be elected. If none of these lists has yet elected a director or if all have elected the same number of directors, the candidate from the list obtaining the greatest number of votes shall be elected. If the voting on lists is tied and the quotient is also tied, a new vote by the entire Shareholders' Meeting shall be held, and the candidate winning a simple majority of votes shall be elected;</p> <p>c) if, after following the procedure described above, the minimum number of independent directors required by the Bylaws is not elected, the quotient of votes to be attributed to each candidate is taken from the lists, dividing the number of votes for each list</p>
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<p>directors has been taken shall be replaced, or, if these numbers of directors are the same, the candidate taken from the list with the fewest votes shall be replaced, or, if the number of votes is the same, the candidate who receives the fewest votes in a dedicated resolution by the Shareholders' Meeting shall be replaced;</p> <p><i>c-bis</i>) notwithstanding the procedure described in letters a) and b) above it is not possible to comply with the law on gender representation, the quotient of votes to be attributed to each candidate taken from the lists shall be calculated by dividing the number of votes for each list by the order number of each of these candidates; the candidate of the most represented gender with the lowest quotient among the candidates taken from all the lists shall be replaced, notwithstanding the compliance with the minimum number of independent directors, by the candidate of the least</p>	<p>by the order number of each of these candidates; non-independent candidates with the lowest quotients among the candidates taken from all the lists shall be replaced, starting from the very lowest, by the independent candidates taken from the same list as the candidate being replaced (following the order in which they are listed); otherwise, they shall be replaced by people who meet the independence criteria and appointed in accordance with the procedure mentioned in letter d). If candidates taken from different lists have obtained the same quotient, the candidate from the list from which the highest number of directors has been taken shall be replaced, or, if these numbers of directors are the same, the candidate taken from the list with the fewest votes shall be replaced, or, if the number of votes is the same, the candidate who receives the fewest votes in a dedicated resolution by the Shareholders'</p>
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<p>represented gender (with the highest consecutive number) taken from the same list as the replaced candidate; otherwise, the candidate shall be replaced by the person appointed in accordance with the procedure mentioned in letter d). If candidates from different lists have obtained the same lowest quotient, the candidate from the list from which the greater number of directors has been taken shall be replaced, or, if these numbers of directors are the same, the candidate taken from the list with the fewest votes shall be replaced, or, if the number of votes is the same, the candidate who receives the fewest votes in a dedicated resolution by the Shareholders' Meeting shall be replaced;</p> <p>d) for the appointment of directors not appointed for any reason by the above procedure, the Shareholders' Meeting shall resolve by statutory majority so as to ensure that the composition of the Board of</p>	<p>Meeting shall be replaced;</p> <p><i>c-bis</i>) notwithstanding the procedure described in letters a) and b) above it is not possible to comply with the law on gender representation, the quotient of votes to be attributed to each candidate taken from the lists shall be calculated by dividing the number of votes for each list by the order number of each of these candidates; the candidate of the most represented gender with the lowest quotient among the candidates taken from all the lists shall be replaced, notwithstanding the compliance with the minimum number of independent directors, by the candidate of the least represented gender (with the highest consecutive number) taken from the same list as the replaced candidate; otherwise, the candidate shall be replaced by the person appointed in accordance with the procedure mentioned in letter d). If candidates from different lists have obtained the same lowest</p>
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<p>Directors is consistent both with the law and with the Bylaws.</p> <p>Additional binding legal provisions, including regulatory rules, remain unchanged.</p> <p>13.6 The list voting mechanism applies only for the replacement of the entire Board of Directors.</p> <p>13.7 Even during its term of office, the Shareholders' Meeting may change the number of directors, provided it is within the limit set forth in paragraph one of this Article, respective appointments in accordance with the procedures set forth in Article 13.5 lett. d), above. The term of office of directors thus elected shall expire with those in office.</p> <p>13.8 If, during the financial year, the office of one or more directors should be vacated, Article 2386 of the Italian Civil Code shall be applied.</p> <p>Compliance with the minimum number of independent directors and with the applicable law on gender representation must in any case be ensured.</p> <p>If the majority of directors should vacate their offices, the entire Board of Directors shall be understood to resign, and the Shareholders' Meeting must be called without delay by the</p>	<p>quotient, the candidate from the list from which the greater number of directors has been taken shall be replaced, or, if these numbers of directors are the same, the candidate taken from the list with the fewest votes shall be replaced, or, if the number of votes is the same, the candidate who receives the fewest votes in a dedicated resolution by the Shareholders' Meeting shall be replaced;</p> <p>d) for the appointment of directors not appointed for any reason by the above procedure, the Shareholders' Meeting shall resolve by statutory majority so as to ensure that the composition of the Board of Directors is consistent both with the law and with the Bylaws.</p> <p>Additional binding legal provisions, including regulatory rules, remain unchanged.</p> <p>13.6 The list voting mechanism applies only for the replacement of the entire Board of Directors.</p> <p>13.7 13.7 Even during its term of office, the Shareholders' Meeting may change the</p>
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<p>Board of Directors in order to replace it.</p> <p>13.9 The Board of Directors may form internal committees charged with consultative and advisory duties on specific matters.</p> <p style="text-align: center;">ARTICLE 14</p> <p>14.1 The Board of Directors may appoint the Chairman from among its members if the Shareholders' Meeting has not already done so, as well as the Secretary, who need not be a Board Director.</p> <p>The Chairman:</p> <ul style="list-style-type: none"> – represents the Company pursuant to Article 19 of these Bylaws; – chairs Shareholders' Meetings, exercising the functions envisaged in law and in the Shareholders' Meeting regulation; – calls and chairs Board of Directors' meetings, prepares the agenda and coordinates its tasks; – arranges for adequate information about the topics on the agenda to be provided to the directors. <p style="text-align: center;">ARTICLE 15</p> <p>15.1 The Board of Directors is convened by</p>	<p>number of directors, provided it is within the limit set forth in paragraph one of this Article, respective appointments in accordance with the procedures set forth in Article 13.5 lett. d), above. The term of office of directors thus elected shall expire with those in office.</p> <p>13.8<u>13.7</u> 8If, during the financial year, the office of one or more directors should be vacated, Article 2386 of the Italian Civil Code shall be applied.</p> <p>Compliance with the minimum number of independent directors and with the applicable law on gender representation must in any case be ensured.</p> <p>If the majority of directors should vacate their offices, the entire Board of Directors shall be understood to resign, and the Shareholders' Meeting must be called without delay by the Board of Directors in order to replace it.</p> <p>13.9<u>13.8</u> The Board of Directors may form internal committees charged with consultative and advisory duties on specific matters.</p> <p style="text-align: center;">ARTICLE 14</p> <p>14.1 The Board of Directors may appoint the Chairman from among its members if the Shareholders' Meeting has not already</p>
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<p>the Chairman – or, in his absence or impediment, by the Chief Executive Officer, or, finally, in his absence or impediment, by the eldest board member– whenever he deems suitable or when at least two Board members request a meeting of the Board in writing. The request must indicate the reasons for convening the Board.</p> <p>15.2 The Board of Directors meets in the location indicated in the notice of call. The notice is usually sent at least five days before the meeting. The Board of Directors’ meetings may be held via conference call or video conference on condition that all participants are identifiable and can follow the discussion, examine, receive and transmit documents and participate in real time in the discussions. The meeting is considered as having taken place where the Chairman of the meeting and Secretary are located. The Board of Directors shall define additional terms and procedures for convening of its meetings.</p> <p>15.3 The meetings of the Board of Directors shall be chaired by the Chairman or in his absence or impediment, the Chief Executive Officer or, finally, in case of</p>	<p>done so, as well as the Secretary, who need not be a Board Director.</p> <p>The Chairman:</p> <ul style="list-style-type: none"> – represents the Company pursuant to Article 19 of these Bylaws; – chairs Shareholders’ Meetings, exercising the functions envisaged in law and in the Shareholders’ Meeting regulation; – calls and chairs Board of Directors’ meetings, prepares the agenda and coordinates its tasks; – arranges for adequate information about the topics on the agenda to be provided to the directors. <p style="text-align: center;">ARTICLE 15</p> <p>15.1 The Board of Directors is convened by the Chairman – or, in his absence or impediment, by the Chief Executive Officer, or, finally, in his absence or impediment, by the eldest board member– whenever he deems suitable or when at least two Board members request a meeting of the Board in writing. The request must indicate the reasons for convening the Board.</p> <p>15.2 The Board of Directors meets in the location indicated in the notice of call.</p>
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<p>absence or inability to attend of the latter, by the eldest Board member present.</p> <p style="text-align: center;">ARTICLE 16</p> <p>16.1 The Board of Directors is invested with full powers for ordinary and extraordinary management of the Company and, in particular, may take all actions it deems necessary for the implementation and achievement of the corporate purpose, excluding only acts that the law or these Bylaws reserve to the Shareholders' Meeting. The Board of Directors may delegate its powers to one or more of its members, determining the limits of delegation pursuant to Article 2381 of the Civil Code and appointing the Chief Executive Officer. The Board of Directors may, in any case, issue directives to the Chief Executive Officer and re-assume responsibility for activities delegated. The Board of Directors may also revoke the powers granted at any time, proceeding, in the event of revocation of the powers delegated to the Chief Executive Officer, to appoint a new Chief Executive Officer. The Board of Directors may also establish committees, deciding on their powers and their number of members.</p>	<p>The notice is usually sent at least five days before the meeting. The Board of Directors' meetings may be held via conference call or video conference on condition that all participants are identifiable and can follow the discussion, examine, receive and transmit documents and participate in real time in the discussions. The meeting is considered as having taken place where the Chairman of the meeting and Secretary are located. The Board of Directors shall define additional terms and procedures for convening of its meetings.</p> <p>15.3 The meetings of the Board of Directors shall be chaired by the Chairman or in his absence or impediment, the Chief Executive Officer or, finally, in case of absence or inability to attend of the latter, by the eldest Board member present.</p> <p style="text-align: center;">ARTICLE 16</p> <p>16.1 The Board of Directors is invested with full powers for ordinary and extraordinary management of the Company and, in particular, may take all actions it deems necessary for the implementation and achievement of the corporate purpose, excluding only acts that the law or these Bylaws reserve to</p>
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<p>The Board, upon proposal of the Chairman, in consultation with the Chief Executive Officer, may confer powers for single acts or categories of acts to other members of the Board of Directors.</p> <p>The Chairman and the Chief Executive Officer, within the powers to them conferred, may give proxies and powers of attorney of the Company, for single acts or categories of acts, to employees of the Company and also third parties.</p> <p>16.2 The Board of Directors may appoint, as proposed by the Chief Executive Officer, upon agreement with the Chairman, one or more General Managers, defining their powers, subject to verification that they satisfy the legally prescribed integrity requirements. These persons may not hold the posts indicated in Article 13.3 of these Bylaws. The Board of Directors shall periodically evaluate the integrity and the absence of incompatibility of the General Managers. Failure to satisfy the requirements shall result in removal from the position.</p> <p>16.3 On the occasion of meetings and at least quarterly, the Chairman or any directors granted powers pursuant to this Article shall report to the Board of Directors and the Board of Statutory Auditors on</p>	<p>the Shareholders' Meeting. The Board of Directors may delegate its powers to one or more of its members, determining the limits of delegation pursuant to Article 2381 of the Civil Code and appointing the Chief Executive Officer. The Board of Directors may, in any case, issue directives to the Chief Executive Officer and re-assume responsibility for activities delegated. The Board of Directors may also revoke the powers granted at any time, proceeding, in the event of revocation of the powers delegated to the Chief Executive Officer, to appoint a new Chief Executive Officer. The Board of Directors may also establish committees, deciding on their powers and their number of members.</p> <p>The Board, upon proposal of the Chairman, in consultation with the Chief Executive Officer, may confer powers for single acts or categories of acts to other members of the Board of Directors.</p> <p>The Chairman and the Chief Executive Officer, within the powers to them conferred, may give proxies and powers of attorney of the Company, for single acts or categories of acts, to employees of the Company and also third parties.</p> <p>16.2 The Board of Directors may appoint, as</p>
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<p>the subsidiaries, overall progress, foreseeable trends, significant economic, financial or asset-related transactions, paying special attention to transactions in which they have an interest either on their own behalf or on behalf of third parties or transactions which are influenced by any party involved in management and oversight.</p> <p>16.4 The Board of Directors, as proposed by the Chief Executive Officer and upon agreement with the Chairman, subject to prior approval by the Board of Statutory Auditors, shall appoint the Officer in charge of preparing financial reports from among those who satisfy the requirements of professionalism specified below.</p> <p>The Officer in charge of preparing financial reports must be chosen from among people who do not hold any of the posts referred to in Article 13.3 of these Bylaws and who have performed the following activities for at least three years:</p> <p>a) director, control or management activity at a company listed on regulated markets in Italy, other states of the European Union or other countries belonging to the OECD which have a share</p>	<p>proposed by the Chief Executive Officer, upon agreement with the Chairman, one or more General Managers, defining their powers, subject to verification that they satisfy the legally prescribed integrity requirements. These persons may not hold the posts indicated in Article 13.3 of these Bylaws. The Board of Directors shall periodically evaluate the integrity and the absence of incompatibility of the General Managers. Failure to satisfy the requirements shall result in removal from the position.</p> <p>16.3 On the occasion of meetings and at least quarterly, the Chairman or any directors granted powers pursuant to this Article shall report to the Board of Directors and the Board of Statutory Auditors on the subsidiaries, overall progress, foreseeable trends, significant economic, financial or asset-related transactions, paying special attention to transactions in which they have an interest either on their own behalf or on behalf of third parties or transactions which are influenced by any party involved in management and oversight.</p> <p>16.4 The Board of Directors, as proposed by the Chief Executive Officer and upon agreement with the Chairman, subject to</p>
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<p>capital of no less than €2 million, or</p> <p>b) audit activity at the companies mentioned under letter a), or</p> <p>c) professional or university teaching activity in finance or accounting, or</p> <p>d) managerial functions at public or private entities with financial, accounting or control responsibilities.</p> <p>The Board of Directors shall ensure that the Officer in charge of preparing financial reports is endowed with adequate powers and means to perform his duties and shall ascertain that the company's administrative and accounting procedures are effectively applied.</p> <p style="text-align: center;">ARTICLE 17</p> <p>17.1 A Board of Directors meeting is valid if present a majority of members is present.</p> <p>17.2 Resolutions are adopted by a simple majority of members present and, in the event of a tie, by the meeting chairman's casting vote.</p> <p>17.3 The minutes of the board meetings are written by the Secretary of the Board of Directors and signed by the Chairman of</p>	<p>prior approval by the Board of Statutory Auditors, shall appoint the Officer in charge of preparing financial reports from among those who satisfy the requirements of professionalism specified below.</p> <p>The Officer in charge of preparing financial reports must be chosen from among people who do not hold any of the posts referred to in Article 13.3 of these Bylaws and who have performed the following activities for at least three years:</p> <p>a) director, control or management activity at a company listed on regulated markets in Italy, other states of the European Union or other countries belonging to the OECD which have a share capital of no less than €2 million, or</p> <p>b) audit activity at the companies mentioned under letter a), or</p> <p>c) professional or university teaching activity in finance or accounting, or</p> <p>d) managerial functions at public or private entities with financial, accounting or control responsibilities.</p>
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<p>the meeting and the Secretary.</p> <p>17.4 Copies of minutes certified by the Chairman of the meeting and the Secretary of the Board of Directors are valid for legal purposes.</p> <p style="text-align: center;">ARTICLE 18</p> <p>18.1 Board members are entitled to remuneration on an annual basis and for the duration of their office as set by the ordinary Shareholders' Meeting when they were appointed; the remuneration so defined is valid until such time as the Shareholders' Meeting decides otherwise. Board members also receive reimbursement for expenses arising from their duties.</p> <p>18.2 Board members with specific duties receive remuneration set by the Board of Directors following the opinion of the Board of Statutory Auditors.</p> <p style="text-align: center;">ARTICLE 19</p> <p>19.1 Legal representation of the Company before any judicial or administrative authority and before third parties and signing on behalf of the Company are responsibility of both the Chairman and the Chief Executive Officer.</p>	<p>The Board of Directors shall ensure that the Officer in charge of preparing financial reports is endowed with adequate powers and means to perform his duties and shall ascertain that the company's administrative and accounting procedures are effectively applied.</p> <p style="text-align: center;">ARTICLE 17</p> <p>17.1 A Board of Directors meeting is valid if present a majority of members is present.</p> <p>17.2 Resolutions are adopted by a simple majority of members present and, in the event of a tie, by the meeting chairman's casting vote.</p> <p>17.3 The minutes of the board meetings are written by the Secretary of the Board of Directors and signed by the Chairman of the meeting and the Secretary.</p> <p>17.4 Copies of minutes certified by the Chairman of the meeting and the Secretary of the Board of Directors are valid for legal purposes.</p> <p style="text-align: center;">ARTICLE 18</p> <p>18.1 Board members are entitled to remuneration on an annual basis and for the duration of their office as set by the ordinary Shareholders' Meeting when they were appointed; the remuneration so</p>
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<p style="text-align: center;"><u>Chapter V – BOARD OF STATUTORY</u> <u>AUDITORS</u></p> <p style="text-align: center;">ARTICLE 20</p> <p>20.1 The Board of Statutory Auditors consists of three effective auditors; two alternate auditors are also appointed. The Shareholders’ Meeting appoints the auditors and determines their compensation. Statutory auditors are chosen from among those who meet the professionalism and honesty requirements indicated in Decree no. 162 of 30 March 2000 of the Ministry of Justice.</p> <p>Issues set forth in this decree which relate strictly to the Company’s activity include: commercial law, business economics and business finance.</p> <p>Likewise, the sector pertaining strictly to the Company’s business is the engineering and geology sector.</p> <p>20.2 Statutory auditors may assume offices as members of management and control bodies of other companies within the limits set by Consob in its regulations, except for the posts referred to in Article 13.3 of these Bylaws.</p> <p>20.3 Pursuant to the pro tempore provisions</p>	<p>defined is valid until such time as the Shareholders’ Meeting decides otherwise. Board members also receive reimbursement for expenses arising from their duties.</p> <p>18.2 Board members with specific duties receive remuneration set by the Board of Directors following the opinion of the Board of Statutory Auditors.</p> <p style="text-align: center;">ARTICLE 19</p> <p>19.1 Legal representation of the Company before any judicial or administrative authority and before third parties and signing on behalf of the Company are responsibility of both the Chairman and the Chief Executive Officer.</p> <p style="text-align: center;"><u>Chaper V – BOARD OF STATUTORY</u> <u>AUDITORS</u></p> <p style="text-align: center;">ARTICLE 20</p> <p>20.1 The Board of Statutory Auditors consists of three effective auditors; two alternate auditors are also appointed. The Shareholders’ Meeting appoints the auditors and determines their compensation. Statutory auditors are chosen from among those who meet the professionalism and honesty requirements indicated in Decree no. 162 of 30 March</p>
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<p>in force on gender representation, the Board of Statutory Auditors is appointed by the Shareholders' Meeting based on the lists submitted by the shareholders. In these lists, the candidates must be listed by consecutive number and their number must not be higher than that of the members of the body to be elected.</p> <p>The procedures governed by Article 13.3 of the Bylaws shall apply for the filing, submission and publication of lists.</p> <p>Each shareholder may submit or be involved in submitting only one list and may vote on only one list, according to the terms provided for by the abovementioned legal and regulatory provisions. Only shareholders who alone or together with other shareholders represent at least 2% or are the owners overall of another percentage of shares stipulated by Consob regulations are entitled to submit lists.</p> <p>Each candidate may run as a candidate on only one list, subject to ineligibility.</p> <p>Lists are broken into two sections: the first for candidates to the office of effective auditor, and the second for candidates to the office of alternate auditor. At least the first candidate in each section must be included in the register of statutory auditors and must have a minimum of three years' experience as an auditor.</p>	<p>2000 of the Ministry of Justice.</p> <p>Issues set forth in this decree which relate strictly to the Company's activity include: commercial law, business economics and business finance.</p> <p>Likewise, the sector pertaining strictly to the Company's business is the engineering and geology sector.</p> <p>20.2 Statutory auditors may assume offices as members of management and control bodies of other companies within the limits set by Consob in its regulations, except for the posts referred to in Article 13.3 of these Bylaws.</p> <p>20.3 Pursuant to the pro tempore provisions in force on gender representation, the Board of Statutory Auditors is appointed by the Shareholders' Meeting based on the lists submitted by the shareholders. In these lists, the candidates must be listed by consecutive number and their number must not be higher than that of the members of the body to be elected.</p> <p>The procedures governed by Article 13.3 of the Bylaws shall apply for the filing, submission and publication of lists.</p> <p>Each shareholder may submit or be involved in submitting only one list and may vote on</p>
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<p>In order to comply with the applicable law on gender representation, lists with candidates for both sections which contain three or more candidates presented for appointment of the majority of the Board of Statutory Auditors' members must contain candidates of each gender in the section for the appointment of effective auditors, in accordance with the notice of call of the Shareholders' Meeting. If the alternate auditor section of these lists contains two candidates, there must be one of each gender.</p> <p>Two effective auditors and one alternate auditor are taken from the list that wins the majority of the votes. The other effective auditor and the other alternate auditor are appointed pursuant to Article 13.5 letter b), which shall be applied separately to each of the sections into which the other lists are broken down.</p> <p>The Shareholders' Meeting appoints as Chairman of the Board of Statutory Auditors the effective auditor appointed pursuant to Article 13.5 letter b).</p> <p>If according to the above mentioned procedure it is not possible to ensure the compliance with the law on gender representation for the effective auditors, the quotient of votes to be attributed to each candidate taken from the effective auditor</p>	<p>only one list, according to the terms provided for by the abovementioned legal and regulatory provisions. Only shareholders who alone or together with other shareholders represent at least 2% or are the owners overall of another percentage of shares stipulated by Consob regulations are entitled to submit lists.</p> <p>Each candidate may run as a candidate on only one list, subject to ineligibility.</p> <p>Lists are broken into two sections: the first for candidates to the office of effective auditor, and the second for candidates to the office of alternate auditor. At least the first candidate in each section must be included in the register of statutory auditors and must have a minimum of three years' experience as an auditor.</p> <p>In order to comply with the applicable law on gender representation, lists with candidates for both sections which contain three or more candidates presented for appointment of the majority of the Board of Statutory Auditors' members must contain candidates of each gender in the section for the appointment of effective auditors, in accordance with the notice of call of the Shareholders' Meeting. If the alternate auditor section of these lists contains two candidates, there must be one of each gender.</p> <p>Two effective auditors and one alternate auditor are taken from the list that wins the</p>
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<p>sections of the different lists shall be calculated by dividing the number of votes for each list by the order number of each of these candidates; the candidate of the most represented gender with the lowest quotient among the candidates taken from all the lists shall be replaced by the candidate of the least represented gender (with the highest consecutive number) from the same effective auditor section of the list of the replaced candidate, or, failing this, from the alternate auditor section of the same list as the replaced candidate (who, in this case, takes the place of the alternate auditor he/she has just been replaced by). If this procedure fails to ensure the compliance with the law on gender representation, the candidate is replaced by the person appointed by the Shareholders' Meeting with the majority of votes set by the law, in such a way as to ensure that the composition of the Board of Statutory Auditors complies with the law and with the Bylaws. Where candidates from different lists have obtained the same quotient, the candidate from the list from which the greater number of Statutory Auditors has been taken shall be replaced, or, if these numbers of Statutory Auditors are the same, the candidate taken from the list with the fewest votes shall be replaced, or, if the number of votes is the same, the candidate who receives the fewest</p>	<p>majority of the votes. The other effective auditor and the other alternate auditor are appointed pursuant to Article 13.5 letter b), which shall be applied separately to each of the sections into which the other lists are broken down.</p> <p>The Shareholders' Meeting appoints as Chairman of the Board of Statutory Auditors the effective auditor appointed pursuant to Article 13.5 letter b).</p> <p>If according to the above mentioned procedure it is not possible to ensure the compliance with the law on gender representation for the effective auditors, the quotient of votes to be attributed to each candidate taken from the effective auditor sections of the different lists shall be calculated by dividing the number of votes for each list by the order number of each of these candidates; the candidate of the most represented gender with the lowest quotient among the candidates taken from all the lists shall be replaced by the candidate of the least represented gender (with the highest consecutive number) from the same effective auditor section of the list of the replaced candidate, or, failing this, from the alternate auditor section of the same list as the replaced candidate (who, in this case, takes the place of the alternate auditor he/she has just been</p>
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<p>votes in a dedicated resolution by the Shareholders' Meeting shall be replaced. For the appointment of Statutory Auditors not appointed for any reason according to the above mentioned procedures, the Shareholders' Meeting shall resolve by statutory majority so as to ensure that the composition of the Board of Statutory Auditors complies both with the law and the Bylaws. In the event of the replacement of a statutory auditor from the list that wins the majority of the votes, he/she is replaced by the alternate auditor from the same list; in the event of replacement of a statutory auditor from other lists, he/she is succeeded by the alternate auditor from the those lists. If the replacement fails to ensure the compliance with the law on gender representation, a Shareholders' Meeting must be called as soon as possible to this end.</p> <p>The list voting procedure applies only for the replacement of the entire Board of Statutory Auditors. Additional binding legal provisions, including regulatory rules, remain unchanged.</p> <p>20.4 Outgoing statutory auditors may be re-elected.</p> <p>20.5 Upon notice to the Chairman of the Board of Directors, the Board of Statutory Auditors may call Shareholders' Meetings and Board of</p>	<p>replaced by). If this procedure fails to ensure the compliance with the law on gender representation, the candidate is replaced by the person appointed by the Shareholders' Meeting with the majority of votes set by the law, in such a way as to ensure that the composition of the Board of Statutory Auditors complies with the law and with the Bylaws. Where candidates from different lists have obtained the same quotient, the candidate from the list from which the greater number of Statutory Auditors has been taken shall be replaced, or, if these numbers of Statutory Auditors are the same, the candidate taken from the list with the fewest votes shall be replaced, or, if the number of votes is the same, the candidate who receives the fewest votes in a dedicated resolution by the Shareholders' Meeting shall be replaced. For the appointment of Statutory Auditors not appointed for any reason according to the above mentioned procedures, the Shareholders' Meeting shall resolve by statutory majority so as to ensure that the composition of the Board of Statutory Auditors complies both with the law and the Bylaws. In the event of the replacement of a statutory auditor from the list that wins the majority of the votes, he/she is replaced by the alternate auditor from the same list; in the event of replacement of a statutory auditor from other lists, he/she is</p>
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<p>Directors' meetings. The power to call Board of Directors' meetings may be exercised individually by each member of the Board of Statutory Auditors; power to call Shareholders' Meetings must be exercised by at least two members of the Board.</p> <p>20.6 The Board of Statutory Auditors may meet via conference call or videoconferencing, providing that all participants are identifiable and can follow the discussion, examine, receive and transmit documents and participate in real time in the discussions. A session is considered held if it takes place where the Chairman of the Board of Statutory Auditors and the Secretary, if appointed, are located.</p> <p><u>Chapter VI – FINANCIAL STATEMENT, PROFITS AND DIVIDENDS</u></p> <p>ARTICLE 21</p> <p>21.1 The Company's financial year runs from 1 January to 31 December of each year.</p> <p>At the end of each financial year the Board of Directors prepares the financial statements as required by law.</p> <p>21.2 The net profit shown in the financial statements and properly approved will be</p>	<p>succeeded by the alternate auditor from the those lists. If the replacement fails to ensure the compliance with the law on gender representation, a Shareholders' Meeting must be called as soon as possible to this end.</p> <p>The list voting procedure applies only for the replacement of the entire Board of Statutory Auditors. Additional binding legal provisions, including regulatory rules, remain unchanged.</p> <p>20.4 Outgoing statutory auditors may be re-elected.</p> <p>20.5 Upon notice to the Chairman of the Board of Directors, the Board of Statutory Auditors may call Shareholders' Meetings and Board of Directors' meetings. The power to call Board of Directors' meetings may be exercised individually by each member of the Board of Statutory Auditors; power to call Shareholders' Meetings must be exercised by at least two members of the Board.</p> <p>20.6 The Board of Statutory Auditors may meet via conference call or videoconferencing, providing that all participants are identifiable and can follow the discussion, examine, receive and transmit documents and participate</p>
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<p>distributed:</p> <ul style="list-style-type: none">– up to 5% to legal reserves until this reaches the limit set by law;– the remainder will be distributed to shares, except as otherwise resolved by the Shareholders' Meeting. <p>Dividends not collected within five years of the date on which they became payable revert to the Company.</p> <p>The Board of Directors may agree a dividend payment on account in the course of financial year.</p> <p style="text-align: center;"><u>Chapter VII – LIQUIDATION AND WIND-UP</u></p> <p style="text-align: center;">ARTICLE 22</p> <p>22.1 The liquidation and wind-up of the Company is governed by the relevant laws.</p> <p style="text-align: center;"><u>Chapter VIII – GENERAL PROVISIONS</u></p> <p style="text-align: center;">ARTICLE 23</p> <p>23.1 All matters not expressly covered or not otherwise regulated by the Bylaws are governed by provisions of law.</p>	<p>in real time in the discussions. A session is considered held if it takes place where the Chairman of the Board of Statutory Auditors and the Secretary, if appointed, are located.</p> <p style="text-align: center;"><u>Chaper VI – FINANCIAL STATEMENT, PROFITS AND DIVIDENDS</u></p> <p style="text-align: center;">ARTICLE 21</p> <p>21.1 The Company's financial year runs from 1 January to 31 December of each year.</p> <p>At the end of each financial year the Board of Directors prepares the financial statements as required by law.</p> <p>21.2 The net profit shown in the financial statements and properly approved will be distributed:</p> <ul style="list-style-type: none">– up to 5% to legal reserves until this reaches the limit set by law;– the remainder will be distributed to shares, except as otherwise resolved by the Shareholders' Meeting. <p>Dividends not collected within five years of the date on which they became payable revert to the Company.</p> <p>The Board of Directors may agree a dividend payment on account in the course of financial year.</p>
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	<p><u>Chaper VII – LIQUIDATION AND WIND- UP</u></p> <p>ARTICLE 22</p> <p>22.1 The liquidation and wind-up of the Company is governed by the relevant laws.</p> <p><u>Chaper VIII GENERAL PROVISIONS</u></p> <p>ARTICLE 23</p> <p>23.1 All matters not expressly covered or not otherwise regulated by the Bylaws are governed by provisions of law.</p>
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SNAM S.p.A. BYLAWS	SNAM S.p.A. BYLAWS
<u>Chapter I- ESTABLISHMENT AND CORPORATE PURPOSE</u>	<u>Chapter I- ESTABLISHMENT AND CORPORATE PURPOSE</u>
ARTICLE 1	ARTICLE 1
1.1 The Company “Snam S.p.A.” is governed by these Bylaws. The name may be written in any font in either upper or lower case letters.	1.1 The Company “Snam S.p.A.” is governed by these Bylaws. The name may be written in any font in either upper or lower case letters.
ARTICLE 2	ARTICLE 2
2.1 The corporate purpose is to exercise, directly or indirectly, in Italy and abroad, including through direct or indirect equity investments in companies, entities or enterprises, in regulated activities involving transportation, dispatching, distribution, regasification and storage of hydrocarbons, as well as any other economic activity that is linked through whatever degree of importance to one or more of the activities mentioned above, including the production of hydrocarbons associated with activities for storage thereof, the storage of other gases, the activity of energy metering, as well as the management of organised gas markets; all in observance of the concessions provided for by law.	2.1 The corporate purpose is to exercise, directly or indirectly, in Italy and abroad, including through direct or indirect equity investments in companies, entities or enterprises, in regulated activities involving transportation, dispatching, distribution, regasification and storage of hydrocarbons, as well as any other economic activity that is linked through whatever degree of importance to one or more of the activities mentioned above, including the production of hydrocarbons associated with activities for storage thereof, the storage of other gases, the activity of energy metering, as well as the management of organised gas markets; all in observance of the concessions provided for by law.

<p>2.2 In pursuance of the corporate purpose and instrumental thereto, the Company:</p> <ul style="list-style-type: none">– may take all actions necessary or appropriate for the achievement of the corporate purpose, by way of example, industrial, commercial, securities, property and financial operations, as assets or liabilities, and any activity that is connected to the achievement of the corporate purpose, including technical and scientific research – the acquisition of technical patents related to activities developed and the activities of the study, design, construction, acquisition, management and operation of complex systems of transportation, transportation infrastructure, information technology and telecommunications, with the exception of the collection of public savings and the performance of activities regulated by law on financial intermediation;– shall undertake the technical, industrial and financial coordination of subsidiaries and the provision of the appropriate financial assistance and services by	<p>2.2 In pursuance of the corporate purpose and instrumental thereto, the Company:</p> <ul style="list-style-type: none">– may take all actions necessary or appropriate for the achievement of the corporate purpose, by way of example, industrial, commercial, securities, property and financial operations, as assets or liabilities, and any activity that is connected to the achievement of the corporate purpose, including technical and scientific research – the acquisition of technical patents related to activities developed and the activities of the study, design, construction, acquisition, management and operation of complex systems of transportation, transportation infrastructure, information technology and telecommunications, with the exception of the collection of public savings and the performance of activities regulated by law on financial intermediation;– shall undertake the technical, industrial and financial coordination of subsidiaries and the provision of the appropriate financial assistance and services by
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<p>those required;</p> <ul style="list-style-type: none">– may engage in activities connected with the protection and restoration of the environment and land conservation;– in its operations will uphold the principles of equal treatment of shippers, transparency, impartiality and neutrality in transporting and dispatching, in compliance with the applicable regulations and provisions of the Law. In particular, the Company, in accordance with the principles of cost-effectiveness, profitability and maximisation of shareholders’ investment, and without prejudice to the requirements of confidentiality of company data, carries out its corporate purpose with the intention of promoting competition, efficiency and the appropriate levels of quality in providing services. To this end:<ul style="list-style-type: none">• guarantees impartiality in the management of essential infrastructures for the development of a free energy market;	<p>those required;</p> <ul style="list-style-type: none">– may engage in activities connected with the protection and restoration of the environment and land conservation;– in its operations will uphold the principles of equal treatment of shippers, transparency, impartiality and neutrality in transporting and dispatching, in compliance with the applicable regulations and provisions of the Law. In particular, the Company, in accordance with the principles of cost-effectiveness, profitability and maximisation of shareholders’ investment, and without prejudice to the requirements of confidentiality of company data, carries out its corporate purpose with the intention of promoting competition, efficiency and the appropriate levels of quality in providing services. To this end:<ul style="list-style-type: none">• guarantees impartiality in the management of essential infrastructures for the development of a free energy market;
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<ul style="list-style-type: none">• prevents discrimination in the access to commercially sensitive information;• prevents the exchange of resources between segments of the supply chains. <p style="text-align: center;">ARTICLE 3</p> <p>3.1 The Company's head office is in San Donato Milanese, Milan, Piazza Santa Barbara 7.</p> <p>3.2 Additional offices, branches, agencies, subsidiaries and representative offices may be established or wound up in Italy and abroad.</p> <p style="text-align: center;">ARTICLE 4</p> <p>4.1 The duration of the Company is until 31 December 2100 and may be extended one or more times, by resolution of the Shareholders' Meeting.</p> <p style="text-align: center;"><u>Chapter II– SHARE CAPITAL OF THE COMPANY</u></p> <p style="text-align: center;">ARTICLE 5</p> <p>5.1 The share capital amounts to €3,696,851,994.00 (three billion, six hundred ninety-six million, eight hundred fifty one thousand, nine</p>	<ul style="list-style-type: none">• prevents discrimination in the access to commercially sensitive information;• prevents the exchange of resources between segments of the supply chains. <p style="text-align: center;">ARTICLE 3</p> <p>3.1 The Company's head office is in San Donato Milanese, Milan, Piazza Santa Barbara 7.</p> <p>3.2 Additional offices, branches, agencies, subsidiaries and representative offices may be established or wound up in Italy and abroad.</p> <p style="text-align: center;">ARTICLE 4</p> <p>4.1 The duration of the Company is until 31 December 2100 and may be extended one or more times, by resolution of the Shareholders' Meeting.</p> <p style="text-align: center;"><u>Chapter II– SHARE CAPITAL OF THE COMPANY</u></p> <p style="text-align: center;">ARTICLE 5</p> <p>5.1 <u>The share capital amounts to €2.735.670.475,56 (two billion, seven hundred thirty-five million, six hundred seventy thousand, four hundred seventy</u></p>
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<p>hundred ninety four point zero zero), divided into no. 3,500,638,294 (three billion, five hundred million, six hundred thirty eight thousand, two hundred ninety-four) shares with no indication of nominal value.</p>	<p>five point fifty six), divided into no. 3,500,638,294 (three billion, five hundred million, six hundred thirty eight thousand, two hundred ninety-four hundred) shares with no par value</p>
<p>5.2 The Shareholders' Meeting may decide to increase capital by imposing terms, conditions and procedures. The capital may be increased: with in-kind contributions and credits and by issuing new shares, including special categories, to be allocated for free under Article 2349 of the Italian Civil Code.</p>	<p>The share capital amounts to €3,696,851,994.00 (three billion, six hundred ninety six million, eight hundred fifty one thousand, nine hundred ninety four point zero zero), divided into no. 3,500,638,294 (three billion, five hundred million, six hundred thirty eight thousand, two hundred ninety four) shares with no indication of nominal value.</p>
<p>ARTICLE 6</p>	
<p>6.1 The shares are registered and may not be split. Each share carries the right to one vote.</p>	<p>5.2 The Shareholders' Meeting may decide to increase capital by imposing terms, conditions and procedures. The capital may be increased: with in-kind contributions and credits and by issuing new shares, including special categories, to be allocated for free under Article 2349 of the Italian Civil Code.</p>
<p>6.2 Where a share is jointly owned, the shareholders' rights are exercised by a single representative. The provisions regarding representation, legitimation and circulation of the shares envisaged for shares traded on regulated markets are confirmed.</p>	<p>ARTICLE 6</p>
<p>6.3 Payments on shares shall be requested by the Board of Directors on one or more occasions. Default interest on late</p>	<p>6.1 The shares are registered and may not be split. Each share carries the right to one vote.</p>
	<p>6.2 Where a share is jointly owned, the shareholders' rights are exercised by a</p>

<p>payments shall be charged at the legal rate of interest and Article 2344 of the Italian Civil Code applies.</p> <p>6.4 Withdrawal shall be allowed only in those cases envisaged in compulsory provisions of law and in any case, shall not be permitted in the case of extension of the duration, as well introduction, modification or removal of constraints regarding the circulation of shares.</p> <p>6.5 Shareholder status, in and of itself, implies the unconditional adherence to these Bylaws.</p> <p>6.6 The domicile of shareholders, other parties with voting rights, directors, auditors and the statutory audit Company, for the purposes of their relations with the Company, is the one indicated in the corporate books or in subsequent notifications sent by said persons.</p> <p style="text-align: center;">ARTICLE 7</p> <p>7.1 The Company may issue bonds, including convertible bonds or warrant bonds and other certificates of indebtedness in the correct legal forms.</p> <p><u>Chapter III – SHAREHOLDERS’ MEETING</u></p> <p style="text-align: center;"><u>ING</u></p>	<p>single representative. The provisions regarding representation, legitimation and circulation of the shares envisaged for shares traded on regulated markets are confirmed.</p> <p>6.3 Payments on shares shall be requested by the Board of Directors on one or more occasions. Default interest on late payments shall be charged at the legal rate of interest and Article 2344 of the Italian Civil Code applies.</p> <p>6.4 Withdrawal shall be allowed only in those cases envisaged in compulsory provisions of law and in any case, shall not be permitted in the case of extension of the duration, as well introduction, modification or removal of constraints regarding the circulation of shares.</p> <p>6.5 Shareholder status, in and of itself, implies the unconditional adherence to these Bylaws.</p> <p>6.6 The domicile of shareholders, other parties with voting rights, directors, auditors and the statutory audit Company, for the purposes of their relations with the Company, is the one indicated in the corporate books or in subsequent notifications sent by said persons.</p>
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<p style="text-align: center;">ARTICLE 8</p> <p>8.1 Shareholders' Meetings shall be either ordinary or extraordinary.</p> <p>8.2 The ordinary Shareholders' Meeting shall be called to approve the financial statements at least once a year, within 180 days of the closing of the financial year, since the Company is required to prepare consolidated financial statements.</p> <p>8.3 Shareholders' Meetings shall be held in Italy.</p>	<p style="text-align: center;">ARTICLE 7</p> <p>7.1 The Company may issue bonds, including convertible bonds or warrant bonds and other certificates of indebtedness in the correct legal forms.</p>
<p><u>Chapter III – SHAREHOLDERS' MEETING</u></p>	
<p style="text-align: center;">ARTICLE 9</p> <p>9.1 The Shareholders' Meeting shall be convened by notice published in terms and manner prescribed by current legislation. Shareholders' meetings shall be convened in a single call only.</p>	<p style="text-align: center;">ARTICLE 8</p> <p>8.1 Shareholders' Meetings shall be either ordinary or extraordinary.</p> <p>8.2 The ordinary Shareholders' Meeting shall be called to approve the financial statements at least once a year, within 180 days of the closing of the financial year, since the Company is required to prepare consolidated financial statements.</p> <p>8.3 Shareholders' Meetings shall be held in Italy.</p>
<p style="text-align: center;">ARTICLE 10</p> <p>10.1 Participation in the Shareholders' Meeting is governed by provisions of law, by the Bylaws and by the provisions contained in the notice of call of the Meeting.</p> <p>10.2 The legitimisation of participation in the Shareholders' Meeting is governed by the provisions of the law. Those with voting</p>	<p style="text-align: center;">ARTICLE 9</p> <p>9.1 The Shareholders' Meeting shall be convened by notice published in terms and manner prescribed by current legislation. Shareholders' meetings shall be convened in a single call only.</p> <p style="text-align: center;">ARTICLE 10</p>

<p>rights may be represented by written proxy within the legal limits; notice of this proxy may be given by certified email. The related documents shall be kept by the Company.</p>	<p>10.1 Participation in the Shareholders' Meeting is governed by provisions of law, by the Bylaws and by the provisions contained in the notice of call of the Meeting.</p>
<p>10.3 The Company shall provide space to enable associations of shareholders who fulfil the relevant legal requirements under the terms and conditions agreed upon with their legal representatives from time to time to post notices and to collect proxies on behalf of shareholders who are employees of the Company or its subsidiaries.</p>	<p>10.2 The legitimisation of participation in the Shareholders' Meeting is governed by the provisions of the law. Those with voting rights may be represented by written proxy within the legal limits; notice of this proxy may be given by certified email. The related documents shall be kept by the Company.</p>
<p>10.4 It is the duty of the Chairman of the Shareholders' Meeting to ensure the validity of proxies and the right to participation in the Shareholders' Meeting.</p>	<p>10.3 The Company shall provide space to enable associations of shareholders who fulfil the relevant legal requirements under the terms and conditions agreed upon with their legal representatives from time to time to post notices and to collect proxies on behalf of shareholders who are employees of the Company or its subsidiaries.</p>
<p>10.5 The conduct of Shareholders' Meetings is governed by meeting regulations approved by the ordinary Shareholders' Meeting.</p>	<p>10.4 It is the duty of the Chairman of the Shareholders' Meeting to ensure the validity of proxies and the right to participation in the Shareholders' Meeting.</p>
<p>ARTICLE 11</p>	
<p>11.1 The Shareholders' Meeting, legally convened and constituted, represents all the shareholders. Its decisions are binding on all the shareholders even if</p>	<p>10.5 The conduct of Shareholders' Meetings is governed by meeting regulations</p>

<p>they did not participate in the Meetings, or abstained or voted against them.</p> <p>11.2 The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in the event of his absence or impediment, by the person appointed by a majority of the shareholders present.</p> <p>11.3 The Shareholders' Meeting appoints a Secretary, who need not be a shareholder.</p> <p>11.4 The minutes of the Shareholders' Meeting are written by the Secretary and signed by the Secretary and the Chairman; the minutes of the extraordinary Shareholders' Meetings are written by a notary and signed by the Chairman.</p> <p>The copies of the minutes certified as correct by their writer and the Chairman constitute the legal record.</p> <p style="text-align: center;">ARTICLE 12</p> <p>12.1 The validity of the formation of Shareholders' Meetings is established by law.</p> <p>12.2 The Ordinary Shareholders' Meeting authorises resolutions concerning disposal, contribution, leasing, usufruct and any other act of disposition,</p>	<p>approved by the ordinary Shareholders' Meeting.</p> <p style="text-align: center;">ARTICLE 11</p> <p>11.1 The Shareholders' Meeting, legally convened and constituted, represents all the shareholders. Its decisions are binding on all the shareholders even if they did not participate in the Meetings, or abstained or voted against them.</p> <p>11.2 The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in the event of his absence or impediment, by the person appointed by a majority of the shareholders present.</p> <p>11.3 The Shareholders' Meeting appoints a Secretary, who need not be a shareholder.</p> <p>11.4 The minutes of the Shareholders' Meeting are written by the Secretary and signed by the Secretary and the Chairman; the minutes of the extraordinary Shareholders' Meetings are written by a notary and signed by the Chairman.</p> <p>The copies of the minutes certified as correct by their writer and the Chairman constitute the legal record.</p> <p style="text-align: center;">ARTICLE 12</p>
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<p>including those that apply to joint ventures, or subject to business restrictions or strategically relevant business units involving gas transportation or dispatching activity, notwithstanding the directors' responsibility for the acts carried out, pursuant to Article 2364 no. 5 of the Italian Civil Code. Resolutions in such matters are adopted by a favourable vote of shareholders representing at least three-fourths of the capital present at the meeting.</p> <p>12.3 For other matters within its powers, the ordinary Shareholders' Meeting decides with the majorities set by law.</p> <p>12.4 The extraordinary Shareholders' Meeting resolves with a majority of at least three-fourths of the capital present at the meeting.</p> <p>12.5 The Board of Directors is responsible for passing resolution on the following issues:</p> <ul style="list-style-type: none"> – a merger in the cases envisaged in Articles 2505 and 2505-<i>bis</i> of the Italian Civil Code, also in the case of de-merger; – opening, modification and closure 	<p>12.1 The validity of the formation of Shareholders' Meetings is established by law.</p> <p>12.2 The Ordinary Shareholders' Meeting authorises resolutions concerning disposal, contribution, leasing, usufruct and any other act of disposition, including those that apply to joint ventures, or subject to business restrictions or strategically relevant business units involving gas transportation or dispatching activity, notwithstanding the directors' responsibility for the acts carried out, pursuant to Article 2364 no. 5 of the Italian Civil Code. Resolutions in such matters are adopted by a favourable vote of shareholders representing at least three-fourths of the capital present at the meeting.</p> <p>12.3 For other matters within its powers, the ordinary Shareholders' Meeting decides with the majorities set by law.</p> <p>12.4 The extraordinary Shareholders' Meeting resolves with a majority of at least three-fourths of the capital present at the meeting.</p> <p>12.5 The Board of Directors is responsible for passing resolution on the following</p>
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<p>of additional offices;</p> <ul style="list-style-type: none">– reduction of the share capital in the case of withdrawal of shareholders;– amendments of Bylaws to comply with legislative provisions;– transfer of the company's registered office within the domestic territory. <p><u>Chapter IV – BOARD OF DIRECTORS</u></p> <p>ARTICLE 13</p> <p>13.1 The Company is managed by a Board of Directors made up of no less than five members and no more than nine; their number and their term of office are established by the Shareholders' Meeting at the time of appointment.</p> <p>13.2 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 year of their term of office; they may be re-elected.</p> <p>13.3 Pursuant to the pro tempore provisions in force on gender representation, the Board of Directors is appointed by the Shareholders' Meeting based on the lists</p>	<p>issues:</p> <ul style="list-style-type: none">– a merger in the cases envisaged in Articles 2505 and 2505-<i>bis</i> of the Italian Civil Code, also in the case of de-merger;– opening, modification and closure of additional offices;– reduction of the share capital in the case of withdrawal of shareholders;– amendments of Bylaws to comply with legislative provisions;– transfer of the company's registered office within the domestic territory. <p><u>Chapter IV – BOARD OF DIRECTORS</u></p> <p>ARTICLE 13</p> <p>13.1 The Company is managed by a Board of Directors made up of no less than five members and no more than nine; their number and their term of office are established by the Shareholders' Meeting at the time of appointment.</p> <p>13.2 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</p>
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<p>submitted by the shareholders. In these lists, the candidates must be listed by consecutive number.</p> <p>Lists are filed at the registered office by the twenty-fifth day prior to the date of the Shareholders' Meeting called to resolve on the appointment of the members of the Board of Directors and made available to the public by the methods provided for by law and by Consob regulations at least twenty-one days prior to the date of the Shareholders' Meeting.</p> <p>Each shareholder may submit or be involved in submitting only one list and may vote on only one list, according to the terms provided for by the abovementioned legal and regulatory provisions. Each candidate may run as a candidate on only one list, subject to ineligibility.</p> <p>Only shareholders who alone or together with other shareholders represent at least 2% or are the owners overall of another percentage of shares stipulated by Consob regulations are entitled to submit lists. The ownership of the minimum percentage necessary for the submission of lists is determined considering the shares registered in the shareholder's favour on the date on which the lists are filed at the Company.</p> <p>For purposes of corroborating ownership of the number of shares necessary for the</p>	<p>last year of their term of office; they may be re-elected.</p> <p>13.3 Pursuant to the pro tempore provisions in force on gender representation, the Board of Directors is appointed by the Shareholders' Meeting based on the lists submitted by the shareholders. In these lists, the candidates must be listed by consecutive number.</p> <p>Lists are filed at the registered office by the twenty-fifth day prior to the date of the Shareholders' Meeting called to resolve on the appointment of the members of the Board of Directors and made available to the public by the methods provided for by law and by Consob regulations at least twenty-one days prior to the date of the Shareholders' Meeting.</p> <p>Each shareholder may submit or be involved in submitting only one list and may vote on only one list, according to the terms provided for by the abovementioned legal and regulatory provisions. Each candidate may run as a candidate on only one list, subject to ineligibility.</p> <p>Only shareholders who alone or together with other shareholders represent at least 2% or are the owners overall of another percentage of shares stipulated by Consob regulations are entitled to submit lists. The ownership of the</p>
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<p>submission of lists, shareholders must produce the respective certification issued in accordance with the law by authorised intermediaries by the deadline provided for publication of the lists by the Company.</p> <p>If there are no more than seven directors on the board, at least one must satisfy the independence criteria established for auditors of listed companies; however, with more than seven directors on the board, at least three must satisfy the independence criteria.</p> <p>Candidates meeting the aforesaid independence requirements must be specifically identified on the lists.</p> <p>Pursuant to the Prime Minister's Decree of 25 May 2012 laying down the “Criteria, conditions and arrangements for the adoption of the Snam S.p.A. unbundling model pursuant to Article 15 of Law 27 of 24 March 2012”, directors may not sit on the administrative board or supervisory board nor hold office in eni S.p.A. or its subsidiaries, nor deal directly or indirectly, on a professional or financial basis, with such companies.</p> <p>All candidates must also meet the honesty requirements provided for by current provisions.</p> <p>In order to comply with applicable regulations on gender representation, in the lists containing three or more candidates, candidates of each</p>	<p>minimum percentage necessary for the submission of lists is determined considering the shares registered in the shareholder’s favour on the date on which the lists are filed at the Company.</p> <p>For purposes of corroborating ownership of the number of shares necessary for the submission of lists, shareholders must produce the respective certification issued in accordance with the law by authorised intermediaries by the deadline provided for publication of the lists by the Company.</p> <p>If there are no more than seven directors on the board, at least one must satisfy the independence criteria established for auditors of listed companies; however, with more than seven directors on the board, at least three must satisfy the independence criteria.</p> <p>Candidates meeting the aforesaid independence requirements must be specifically identified on the lists.</p> <p>Pursuant to the Prime Minister's Decree of 25 May 2012 laying down the “Criteria, conditions and arrangements for the adoption of the Snam S.p.A. unbundling model pursuant to Article 15 of Law 27 of 24 March 2012”, directors may not sit on the administrative board or supervisory board nor hold office in eni S.p.A. or its subsidiaries, nor deal directly or indirectly, on a professional or</p>
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<p>gender shall be present, in accordance with the notice of call of the Shareholders' Meeting. Where the number of the least represented gender must, by law, be at least three, the presented lists for the appointment of the majority of the Board of Directors' members must include at least two candidates of the least represented gender.</p> <p>Together with each list, subject to its admissibility, a curriculum vitae must be filed for each candidate as well as the candidates' statements accepting their candidacy and certifying, under their own cognisance, the lack of grounds for ineligibility or incompatibility, as well as the fact that they satisfy the honesty and possible independence requirements.</p> <p>The directors appointed must inform the Company of any loss of the independence and honesty requirements, as well as the occurrence of causes of ineligibility or incompatibility.</p> <p>13.4 The Board shall periodically evaluate the independence and honesty of the directors, as well as the lack of grounds for ineligibility or incompatibility. In the event a director does not meet or ceases to meet the independence or honesty requirements declared or legally required, or if grounds for ineligibility or</p>	<p>financial basis, with such companies.</p> <p>All candidates must also meet the honesty requirements provided for by current provisions.</p> <p>In order to comply with applicable regulations on gender representation, in the lists containing three or more candidates, candidates of each gender shall be present, in accordance with the notice of call of the Shareholders' Meeting. Where the number of the least represented gender must, by law, be at least three, the presented lists for the appointment of the majority of the Board of Directors' members must include at least two candidates of the least represented gender.</p> <p>Together with each list, subject to its admissibility, a curriculum vitae must be filed for each candidate as well as the candidates' statements accepting their candidacy and certifying, under their own cognisance, the lack of grounds for ineligibility or incompatibility, as well as the fact that they satisfy the honesty and possible independence requirements.</p> <p>The directors appointed must inform the Company of any loss of the independence and honesty requirements, as well as the occurrence of causes of ineligibility or incompatibility.</p> <p>13.4 The Board shall periodically evaluate the</p>
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<p>incompatibility should exist, the Board shall dismiss the director and replace him/her or ask him/her to desist from the reason of incompatibility within a pre-determined time period, else face dismissal from office.</p> <p>13.5 Directors shall be elected as follows:</p> <p>a) seven tenths of the directors to be elected shall be taken from the list receiving the majority of the shareholders' votes in the consecutive order in which they appear on the list, rounding down to the nearest whole number if the number is a decimal;</p> <p>b) the remaining directors shall be taken from the other lists, which may not be associated in any way, even indirectly, to shareholders who have submitted or voted for the list which came in first in number of votes; for that purpose, the votes won by said lists shall be divided successively by one, two or three, depending on the consecutive number of directors to be elected. The quotients thus</p>	<p>independence and honesty of the directors, as well as the lack of grounds for ineligibility or incompatibility. In the event a director does not meet or ceases to meet the independence or honesty requirements declared or legally required, or if grounds for ineligibility or incompatibility should exist, the Board shall dismiss the director and replace him/her or ask him/her to desist from the reason of incompatibility within a pre-determined time period, else face dismissal from office.</p> <p>13.5 Directors shall be elected as follows:</p> <p>a) seven tenths of the directors to be elected shall be taken from the list receiving the majority of the shareholders' votes in the consecutive order in which they appear on the list, rounding down to the nearest whole number if the number is a decimal;</p> <p>b) the remaining directors shall be taken from the other lists, which may not be associated in any way, even indirectly, to shareholders who have submitted or voted for the list</p>
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<p>obtained shall be assigned progressively to candidates from each of these lists, according to the order shown in them. The quotients thus assigned to candidates from the different lists shall be arranged in a single decreasing gradation. Those obtaining the highest quotients shall be elected. If several candidates obtain the same quotient, the candidate from the list which has not yet elected any director or that has elected the smallest number of directors shall be elected. If none of these lists has yet elected a director or if all have elected the same number of directors, the candidate from the list obtaining the greatest number of votes shall be elected. If the voting on lists is tied and the quotient is also tied, a new vote by the entire Shareholders' Meeting shall be held, and the candidate winning a simple majority of votes shall be elected;</p> <p>c) if, after following the procedure</p>	<p>which came in first in number of votes; for that purpose, the votes won by said lists shall be divided successively by one, two or three, depending on the consecutive number of directors to be elected. The quotients thus obtained shall be assigned progressively to candidates from each of these lists, according to the order shown in them. The quotients thus assigned to candidates from the different lists shall be arranged in a single decreasing gradation. Those obtaining the highest quotients shall be elected. If several candidates obtain the same quotient, the candidate from the list which has not yet elected any director or that has elected the smallest number of directors shall be elected. If none of these lists has yet elected a director or if all have elected the same number of directors, the candidate from the list obtaining the greatest number of votes shall be elected. If the voting on lists is tied and the quotient is also tied,</p>
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<p>described above, the minimum number of independent directors required by the Bylaws is not elected, the quotient of votes to be attributed to each candidate is taken from the lists, dividing the number of votes for each list by the order number of each of these candidates; non-independent candidates with the lowest quotients among the candidates taken from all the lists shall be replaced, starting from the very lowest, by the independent candidates taken from the same list as the candidate being replaced (following the order in which they are listed); otherwise, they shall be replaced by people who meet the independence criteria and appointed in accordance with the procedure mentioned in letter d). If candidates taken from different lists have obtained the same quotient, the candidate from the list from which the highest number of directors has been taken shall be replaced, or, if these numbers of directors are the</p>	<p>a new vote by the entire Shareholders' Meeting shall be held, and the candidate winning a simple majority of votes shall be elected;</p> <p>c) if, after following the procedure described above, the minimum number of independent directors required by the Bylaws is not elected, the quotient of votes to be attributed to each candidate is taken from the lists, dividing the number of votes for each list by the order number of each of these candidates; non-independent candidates with the lowest quotients among the candidates taken from all the lists shall be replaced, starting from the very lowest, by the independent candidates taken from the same list as the candidate being replaced (following the order in which they are listed); otherwise, they shall be replaced by people who meet the independence criteria and appointed in accordance with the procedure mentioned in letter d). If candidates taken</p>
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<p>same, the candidate taken from the list with the fewest votes shall be replaced, or, if the number of votes is the same, the candidate who receives the fewest votes in a dedicated resolution by the Shareholders' Meeting shall be replaced;</p> <p><i>c-bis)</i> notwithstanding the procedure described in letters a) and b) above it is not possible to comply with the law on gender representation, the quotient of votes to be attributed to each candidate taken from the lists shall be calculated by dividing the number of votes for each list by the order number of each of these candidates; the candidate of the most represented gender with the lowest quotient among the candidates taken from all the lists shall be replaced, notwithstanding the compliance with the minimum number of independent directors, by the candidate of the least represented gender (with the highest consecutive number) taken from the same list as the</p>	<p>from different lists have obtained the same quotient, the candidate from the list from which the highest number of directors has been taken shall be replaced, or, if these numbers of directors are the same, the candidate taken from the list with the fewest votes shall be replaced, or, if the number of votes is the same, the candidate who receives the fewest votes in a dedicated resolution by the Shareholders' Meeting shall be replaced;</p> <p><i>c-bis)</i> notwithstanding the procedure described in letters a) and b) above it is not possible to comply with the law on gender representation, the quotient of votes to be attributed to each candidate taken from the lists shall be calculated by dividing the number of votes for each list by the order number of each of these candidates; the candidate of the most represented gender with the lowest quotient among the candidates taken from all the lists shall be replaced,</p>
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<p>replaced candidate; otherwise, the candidate shall be replaced by the person appointed in accordance with the procedure mentioned in letter d). If candidates from different lists have obtained the same lowest quotient, the candidate from the list from which the greater number of directors has been taken shall be replaced, or, if these numbers of directors are the same, the candidate taken from the list with the fewest votes shall be replaced, or, if the number of votes is the same, the candidate who receives the fewest votes in a dedicated resolution by the Shareholders' Meeting shall be replaced;</p> <p>d) for the appointment of directors not appointed for any reason by the above procedure, the Shareholders' Meeting shall resolve by statutory majority so as to ensure that the composition of the Board of Directors is consistent both with the law and with the Bylaws.</p> <p>Additional binding legal provisions, including</p>	<p>notwithstanding the compliance with the minimum number of independent directors, by the candidate of the least represented gender (with the highest consecutive number) taken from the same list as the replaced candidate; otherwise, the candidate shall be replaced by the person appointed in accordance with the procedure mentioned in letter d). If candidates from different lists have obtained the same lowest quotient, the candidate from the list from which the greater number of directors has been taken shall be replaced, or, if these numbers of directors are the same, the candidate taken from the list with the fewest votes shall be replaced, or, if the number of votes is the same, the candidate who receives the fewest votes in a dedicated resolution by the Shareholders' Meeting shall be replaced;</p> <p>d) for the appointment of directors not appointed for any reason by the above procedure, the</p>
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<p>regulatory rules, remain unchanged.</p> <p>13.6 The list voting mechanism applies only for the replacement of the entire Board of Directors.</p> <p>13.7 Even during its term of office, the Shareholders' Meeting may change the number of directors, provided it is within the limit set forth in paragraph one of this Article, respective appointments in accordance with the procedures set forth in Article 13.5 lett. d), above. The term of office of directors thus elected shall expire with those in office.</p> <p>13.8 If, during the financial year, the office of one or more directors should be vacated, Article 2386 of the Italian Civil Code shall be applied.</p> <p>Compliance with the minimum number of independent directors and with the applicable law on gender representation must in any case be ensured.</p> <p>If the majority of directors should vacate their offices, the entire Board of Directors shall be understood to resign, and the Shareholders' Meeting must be called without delay by the Board of Directors in order to replace it.</p> <p>13.9 The Board of Directors may form internal committees charged with</p>	<p>Shareholders' Meeting shall resolve by statutory majority so as to ensure that the composition of the Board of Directors is consistent both with the law and with the Bylaws.</p> <p>Additional binding legal provisions, including regulatory rules, remain unchanged.</p> <p>13.6 The list voting mechanism applies only for the replacement of the entire Board of Directors.</p> <p>13.7 Even during its term of office, the Shareholders' Meeting may change the number of directors, provided it is within the limit set forth in paragraph one of this Article, respective appointments in accordance with the procedures set forth in Article 13.5 lett. d), above. The term of office of directors thus elected shall expire with those in office.</p> <p>13.8 If, during the financial year, the office of one or more directors should be vacated, Article 2386 of the Italian Civil Code shall be applied.</p> <p>Compliance with the minimum number of independent directors and with the applicable law on gender representation must in any case be ensured.</p>
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<p>consultative and advisory duties on specific matters.</p> <p style="text-align: center;">ARTICLE 14</p> <p>14.1 The Board of Directors may appoint the Chairman from among its members if the Shareholders' Meeting has not already done so, as well as the Secretary, who need not be a Board Director.</p> <p>The Chairman:</p> <ul style="list-style-type: none">– represents the Company pursuant to Article 19 of these Bylaws;– chairs Shareholders' Meetings, exercising the functions envisaged in law and in the Shareholders' Meeting regulation;– calls and chairs Board of Directors' meetings, prepares the agenda and coordinates its tasks;– arranges for adequate information about the topics on the agenda to be provided to the directors. <p style="text-align: center;">ARTICLE 15</p> <p>15.1 The Board of Directors is convened by the Chairman – or, in his absence or impediment, by the Chief Executive Officer, or, finally, in his absence or</p>	<p>If the majority of directors should vacate their offices, the entire Board of Directors shall be understood to resign, and the Shareholders' Meeting must be called without delay by the Board of Directors in order to replace it.</p> <p>13.9 The Board of Directors may form internal committees charged with consultative and advisory duties on specific matters.</p> <p style="text-align: center;">ARTICLE 14</p> <p>14.1 The Board of Directors may appoint the Chairman from among its members if the Shareholders' Meeting has not already done so, as well as the Secretary, who need not be a Board Director.</p> <p>The Chairman:</p> <ul style="list-style-type: none">– represents the Company pursuant to Article 19 of these Bylaws;– chairs Shareholders' Meetings, exercising the functions envisaged in law and in the Shareholders' Meeting regulation;– calls and chairs Board of Directors' meetings, prepares the agenda and coordinates its tasks;– arranges for adequate information about the topics on the agenda to be
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<p>impediment, by the eldest board member– whenever he deems suitable or when at least two Board members request a meeting of the Board in writing. The request must indicate the reasons for convening the Board.</p> <p>15.2 The Board of Directors meets in the location indicated in the notice of call. The notice is usually sent at least five days before the meeting. The Board of Directors’ meetings may be held via conference call or video conference on condition that all participants are identifiable and can follow the discussion, examine, receive and transmit documents and participate in real time in the discussions. The meeting is considered as having taken place where the Chairman of the meeting and Secretary are located. The Board of Directors shall define additional terms and procedures for convening of its meetings.</p> <p>15.3 The meetings of the Board of Directors shall be chaired by the Chairman or in his absence or impediment, the Chief Executive Officer or, finally, in case of absence or inability to attend of the latter, by the eldest Board member present.</p>	<p>provided to the directors.</p> <p style="text-align: center;">ARTICLE 15</p> <p>15.1 The Board of Directors is convened by the Chairman – or, in his absence or impediment, by the Chief Executive Officer, or, finally, in his absence or impediment, by the eldest board member– whenever he deems suitable or when at least two Board members request a meeting of the Board in writing. The request must indicate the reasons for convening the Board.</p> <p>15.2 The Board of Directors meets in the location indicated in the notice of call. The notice is usually sent at least five days before the meeting. The Board of Directors’ meetings may be held via conference call or video conference on condition that all participants are identifiable and can follow the discussion, examine, receive and transmit documents and participate in real time in the discussions. The meeting is considered as having taken place where the Chairman of the meeting and Secretary are located. The Board of Directors shall define additional terms and procedures for convening of its meetings.</p>
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<p style="text-align: center;">ARTICLE 16</p> <p>16.1 The Board of Directors is invested with full powers for ordinary and extraordinary management of the Company and, in particular, may take all actions it deems necessary for the implementation and achievement of the corporate purpose, excluding only acts that the law or these Bylaws reserve to the Shareholders' Meeting. The Board of Directors may delegate its powers to one or more of its members, determining the limits of delegation pursuant to Article 2381 of the Civil Code and appointing the Chief Executive Officer. The Board of Directors may, in any case, issue directives to the Chief Executive Officer and re-assume responsibility for activities delegated. The Board of Directors may also revoke the powers granted at any time, proceeding, in the event of revocation of the powers delegated to the Chief Executive Officer, to appoint a new Chief Executive Officer. The Board of Directors may also establish committees, deciding on their powers and their number of members.</p> <p>The Board, upon proposal of the Chairman, in consultation with the Chief Executive Officer,</p>	<p>15.3 The meetings of the Board of Directors shall be chaired by the Chairman or in his absence or impediment, the Chief Executive Officer or, finally, in case of absence or inability to attend of the latter, by the eldest Board member present.</p> <p style="text-align: center;">ARTICLE 16</p> <p>16.1 The Board of Directors is invested with full powers for ordinary and extraordinary management of the Company and, in particular, may take all actions it deems necessary for the implementation and achievement of the corporate purpose, excluding only acts that the law or these Bylaws reserve to the Shareholders' Meeting. The Board of Directors may delegate its powers to one or more of its members, determining the limits of delegation pursuant to Article 2381 of the Civil Code and appointing the Chief Executive Officer. The Board of Directors may, in any case, issue directives to the Chief Executive Officer and re-assume responsibility for activities delegated. The Board of Directors may also revoke the powers granted at any time, proceeding, in the event of revocation of the powers delegated to the Chief Executive Officer, to appoint a new</p>
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<p>may confer powers for single acts or categories of acts to other members of the Board of Directors.</p> <p>The Chairman and the Chief Executive Officer, within the powers to them conferred, may give proxies and powers of attorney of the Company, for single acts or categories of acts, to employees of the Company and also third parties.</p> <p>16.2 The Board of Directors may appoint, as proposed by the Chief Executive Officer, upon agreement with the Chairman, one or more General Managers, defining their powers, subject to verification that they satisfy the legally prescribed integrity requirements. These persons may not hold the posts indicated in Article 13.3 of these Bylaws. The Board of Directors shall periodically evaluate the integrity and the absence of incompatibility of the General Managers. Failure to satisfy the requirements shall result in removal from the position.</p> <p>16.3 On the occasion of meetings and at least quarterly, the Chairman or any directors granted powers pursuant to this Article shall report to the Board of Directors and the Board of Statutory Auditors on the subsidiaries, overall progress, foreseeable trends, significant economic,</p>	<p>Chief Executive Officer. The Board of Directors may also establish committees, deciding on their powers and their number of members.</p> <p>The Board, upon proposal of the Chairman, in consultation with the Chief Executive Officer, may confer powers for single acts or categories of acts to other members of the Board of Directors.</p> <p>The Chairman and the Chief Executive Officer, within the powers to them conferred, may give proxies and powers of attorney of the Company, for single acts or categories of acts, to employees of the Company and also third parties.</p> <p>16.2 The Board of Directors may appoint, as proposed by the Chief Executive Officer, upon agreement with the Chairman, one or more General Managers, defining their powers, subject to verification that they satisfy the legally prescribed integrity requirements. These persons may not hold the posts indicated in Article 13.3 of these Bylaws. The Board of Directors shall periodically evaluate the integrity and the absence of incompatibility of the General Managers. Failure to satisfy the requirements shall result in removal from the position.</p>
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<p>financial or asset-related transactions, paying special attention to transactions in which they have an interest either on their own behalf or on behalf of third parties or transactions which are influenced by any party involved in management and oversight.</p> <p>16.4 The Board of Directors, as proposed by the Chief Executive Officer and upon agreement with the Chairman, subject to prior approval by the Board of Statutory Auditors, shall appoint the Officer in charge of preparing financial reports from among those who satisfy the requirements of professionalism specified below.</p> <p>The Officer in charge of preparing financial reports must be chosen from among people who do not hold any of the posts referred to in Article 13.3 of these Bylaws and who have performed the following activities for at least three years:</p> <p>a) director, control or management activity at a company listed on regulated markets in Italy, other states of the European Union or other countries belonging to the OECD which have a share capital of no less than €2 million, or</p>	<p>16.3 On the occasion of meetings and at least quarterly, the Chairman or any directors granted powers pursuant to this Article shall report to the Board of Directors and the Board of Statutory Auditors on the subsidiaries, overall progress, foreseeable trends, significant economic, financial or asset-related transactions, paying special attention to transactions in which they have an interest either on their own behalf or on behalf of third parties or transactions which are influenced by any party involved in management and oversight.</p> <p>16.4 The Board of Directors, as proposed by the Chief Executive Officer and upon agreement with the Chairman, subject to prior approval by the Board of Statutory Auditors, shall appoint the Officer in charge of preparing financial reports from among those who satisfy the requirements of professionalism specified below.</p> <p>The Officer in charge of preparing financial reports must be chosen from among people who do not hold any of the posts referred to in Article 13.3 of these Bylaws and who have performed the following activities for at least three years:</p> <p>a) director, control or management</p>
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<p>b) audit activity at the companies mentioned under letter a), or</p> <p>c) professional or university teaching activity in finance or accounting, or</p> <p>d) managerial functions at public or private entities with financial, accounting or control responsibilities.</p> <p>The Board of Directors shall ensure that the Officer in charge of preparing financial reports is endowed with adequate powers and means to perform his duties and shall ascertain that the company's administrative and accounting procedures are effectively applied.</p> <p style="text-align: center;">ARTICLE 17</p> <p>17.1 A Board of Directors meeting is valid if present a majority of members is present.</p> <p>17.2 Resolutions are adopted by a simple majority of members present and, in the event of a tie, by the meeting chairman's casting vote.</p> <p>17.3 The minutes of the board meetings are written by the Secretary of the Board of Directors and signed by the Chairman of the meeting and the Secretary.</p> <p>17.4 Copies of minutes certified by the</p>	<p>activity at a company listed on regulated markets in Italy, other states of the European Union or other countries belonging to the OECD which have a share capital of no less than €2 million, or</p> <p>b) audit activity at the companies mentioned under letter a), or</p> <p>c) professional or university teaching activity in finance or accounting, or</p> <p>d) managerial functions at public or private entities with financial, accounting or control responsibilities.</p> <p>The Board of Directors shall ensure that the Officer in charge of preparing financial reports is endowed with adequate powers and means to perform his duties and shall ascertain that the company's administrative and accounting procedures are effectively applied.</p> <p style="text-align: center;">ARTICLE 17</p> <p>17.1 A Board of Directors meeting is valid if present a majority of members is present.</p> <p>17.2 Resolutions are adopted by a simple majority of members present and, in the</p>
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<p>Chairman of the meeting and the Secretary of the Board of Directors are valid for legal purposes.</p> <p style="text-align: center;">ARTICLE 18</p> <p>18.1 Board members are entitled to remuneration on an annual basis and for the duration of their office as set by the ordinary Shareholders' Meeting when they were appointed; the remuneration so defined is valid until such time as the Shareholders' Meeting decides otherwise. Board members also receive reimbursement for expenses arising from their duties.</p> <p>18.2 Board members with specific duties receive remuneration set by the Board of Directors following the opinion of the Board of Statutory Auditors.</p> <p style="text-align: center;">ARTICLE 19</p> <p>19.1 Legal representation of the Company before any judicial or administrative authority and before third parties and signing on behalf of the Company are responsibility of both the Chairman and the Chief Executive Officer.</p> <p style="text-align: center;"><u>Chapter V – BOARD OF STATUTORY AUDITORS</u></p>	<p>event of a tie, by the meeting chairman's casting vote.</p> <p>17.3 The minutes of the board meetings are written by the Secretary of the Board of Directors and signed by the Chairman of the meeting and the Secretary.</p> <p>17.4 Copies of minutes certified by the Chairman of the meeting and the Secretary of the Board of Directors are valid for legal purposes.</p> <p style="text-align: center;">ARTICLE 18</p> <p>18.1 Board members are entitled to remuneration on an annual basis and for the duration of their office as set by the ordinary Shareholders' Meeting when they were appointed; the remuneration so defined is valid until such time as the Shareholders' Meeting decides otherwise. Board members also receive reimbursement for expenses arising from their duties.</p> <p>18.2 Board members with specific duties receive remuneration set by the Board of Directors following the opinion of the Board of Statutory Auditors.</p> <p style="text-align: center;">ARTICLE 19</p> <p>19.1 Legal representation of the Company</p>
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<p style="text-align: center;">ARTICLE 20</p> <p>20.1 The Board of Statutory Auditors consists of three effective auditors; two alternate auditors are also appointed. The Shareholders' Meeting appoints the auditors and determines their compensation. Statutory auditors are chosen from among those who meet the professionalism and honesty requirements indicated in Decree no. 162 of 30 March 2000 of the Ministry of Justice.</p> <p>Issues set forth in this decree which relate strictly to the Company's activity include: commercial law, business economics and business finance.</p> <p>Likewise, the sector pertaining strictly to the Company's business is the engineering and geology sector.</p> <p>20.2 Statutory auditors may assume offices as members of management and control bodies of other companies within the limits set by Consob in its regulations, except for the posts referred to in Article 13.3 of these Bylaws.</p> <p>20.3 Pursuant to the pro tempore provisions in force on gender representation, the Board of Statutory Auditors is appointed by the Shareholders' Meeting based on</p>	<p>before any judicial or administrative authority and before third parties and signing on behalf of the Company are responsibility of both the Chairman and the Chief Executive Officer.</p> <p style="text-align: center;"><u>Chapter V – BOARD OF STATUTORY AUDITORS</u></p> <p style="text-align: center;">ARTICLE 20</p> <p>20.1 The Board of Statutory Auditors consists of three effective auditors; two alternate auditors are also appointed. The Shareholders' Meeting appoints the auditors and determines their compensation. Statutory auditors are chosen from among those who meet the professionalism and honesty requirements indicated in Decree no. 162 of 30 March 2000 of the Ministry of Justice.</p> <p>Issues set forth in this decree which relate strictly to the Company's activity include: commercial law, business economics and business finance.</p> <p>Likewise, the sector pertaining strictly to the Company's business is the engineering and geology sector.</p> <p>20.2 Statutory auditors may assume offices as members of management and control</p>
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<p>the lists submitted by the shareholders. In these lists, the candidates must be listed by consecutive number and their number must not be higher than that of the members of the body to be elected.</p> <p>The procedures governed by Article 13.3 of the Bylaws shall apply for the filing, submission and publication of lists.</p> <p>Each shareholder may submit or be involved in submitting only one list and may vote on only one list, according to the terms provided for by the abovementioned legal and regulatory provisions. Only shareholders who alone or together with other shareholders represent at least 2% or are the owners overall of another percentage of shares stipulated by Consob regulations are entitled to submit lists.</p> <p>Each candidate may run as a candidate on only one list, subject to ineligibility.</p> <p>Lists are broken into two sections: the first for candidates to the office of effective auditor, and the second for candidates to the office of alternate auditor. At least the first candidate in each section must be included in the register of statutory auditors and must have a minimum of three years' experience as an auditor.</p> <p>In order to comply with the applicable law on gender representation, lists with candidates for both sections which contain three or more</p>	<p>bodies of other companies within the limits set by Consob in its regulations, except for the posts referred to in Article 13.3 of these Bylaws.</p> <p>20.3 Pursuant to the pro tempore provisions in force on gender representation, the Board of Statutory Auditors is appointed by the Shareholders' Meeting based on the lists submitted by the shareholders. In these lists, the candidates must be listed by consecutive number and their number must not be higher than that of the members of the body to be elected.</p> <p>The procedures governed by Article 13.3 of the Bylaws shall apply for the filing, submission and publication of lists.</p> <p>Each shareholder may submit or be involved in submitting only one list and may vote on only one list, according to the terms provided for by the abovementioned legal and regulatory provisions. Only shareholders who alone or together with other shareholders represent at least 2% or are the owners overall of another percentage of shares stipulated by Consob regulations are entitled to submit lists.</p> <p>Each candidate may run as a candidate on only one list, subject to ineligibility.</p> <p>Lists are broken into two sections: the first for candidates to the office of effective auditor,</p>
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<p>candidates presented for appointment of the majority of the Board of Statutory Auditors' members must contain candidates of each gender in the section for the appointment of effective auditors, in accordance with the notice of call of the Shareholders' Meeting. If the alternate auditor section of these lists contains two candidates, there must be one of each gender.</p> <p>Two effective auditors and one alternate auditor are taken from the list that wins the majority of the votes. The other effective auditor and the other alternate auditor are appointed pursuant to Article 13.5 letter b), which shall be applied separately to each of the sections into which the other lists are broken down.</p> <p>The Shareholders' Meeting appoints as Chairman of the Board of Statutory Auditors the effective auditor appointed pursuant to Article 13.5 letter b).</p> <p>If according to the above mentioned procedure it is not possible to ensure the compliance with the law on gender representation for the effective auditors, the quotient of votes to be attributed to each candidate taken from the effective auditor sections of the different lists shall be calculated by dividing the number of votes for each list by the order number of each of</p>	<p>and the second for candidates to the office of alternate auditor. At least the first candidate in each section must be included in the register of statutory auditors and must have a minimum of three years' experience as an auditor.</p> <p>In order to comply with the applicable law on gender representation, lists with candidates for both sections which contain three or more candidates presented for appointment of the majority of the Board of Statutory Auditors' members must contain candidates of each gender in the section for the appointment of effective auditors, in accordance with the notice of call of the Shareholders' Meeting. If the alternate auditor section of these lists contains two candidates, there must be one of each gender.</p> <p>Two effective auditors and one alternate auditor are taken from the list that wins the majority of the votes. The other effective auditor and the other alternate auditor are appointed pursuant to Article 13.5 letter b), which shall be applied separately to each of the sections into which the other lists are broken down.</p> <p>The Shareholders' Meeting appoints as Chairman of the Board of Statutory Auditors the effective auditor appointed pursuant to Article 13.5 letter b).</p> <p>If according to the above mentioned</p>
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<p>these candidates; the candidate of the most represented gender with the lowest quotient among the candidates taken from all the lists shall be replaced by the candidate of the least represented gender (with the highest consecutive number) from the same effective auditor section of the list of the replaced candidate, or, failing this, from the alternate auditor section of the same list as the replaced candidate (who, in this case, takes the place of the alternate auditor he/she has just been replaced by). If this procedure fails to ensure the compliance with the law on gender representation, the candidate is replaced by the person appointed by the Shareholders' Meeting with the majority of votes set by the law, in such a way as to ensure that the composition of the Board of Statutory Auditors complies with the law and with the Bylaws. Where candidates from different lists have obtained the same quotient, the candidate from the list from which the greater number of Statutory Auditors has been taken shall be replaced, or, if these numbers of Statutory Auditors are the same, the candidate taken from the list with the fewest votes shall be replaced, or, if the number of votes is the same, the candidate who receives the fewest votes in a dedicated resolution by the Shareholders' Meeting shall be replaced. For the appointment of Statutory Auditors not</p>	<p>procedure it is not possible to ensure the compliance with the law on gender representation for the effective auditors, the quotient of votes to be attributed to each candidate taken from the effective auditor sections of the different lists shall be calculated by dividing the number of votes for each list by the order number of each of these candidates; the candidate of the most represented gender with the lowest quotient among the candidates taken from all the lists shall be replaced by the candidate of the least represented gender (with the highest consecutive number) from the same effective auditor section of the list of the replaced candidate, or, failing this, from the alternate auditor section of the same list as the replaced candidate (who, in this case, takes the place of the alternate auditor he/she has just been replaced by). If this procedure fails to ensure the compliance with the law on gender representation, the candidate is replaced by the person appointed by the Shareholders' Meeting with the majority of votes set by the law, in such a way as to ensure that the composition of the Board of Statutory Auditors complies with the law and with the Bylaws. Where candidates from different lists have obtained the same quotient, the candidate from the list from which the greater number of Statutory Auditors has been taken shall be</p>
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<p>appointed for any reason according to the above mentioned procedures, the Shareholders' Meeting shall resolve by statutory majority so as to ensure that the composition of the Board of Statutory Auditors complies both with the law and the Bylaws. In the event of the replacement of a statutory auditor from the list that wins the majority of the votes, he/she is replaced by the alternate auditor from the same list; in the event of replacement of a statutory auditor from other lists, he/she is succeeded by the alternate auditor from the those lists. If the replacement fails to ensure the compliance with the law on gender representation, a Shareholders' Meeting must be called as soon as possible to this end.</p> <p>The list voting procedure applies only for the replacement of the entire Board of Statutory Auditors. Additional binding legal provisions, including regulatory rules, remain unchanged.</p> <p>20.4 Outgoing statutory auditors may be re-elected.</p> <p>20.5 Upon notice to the Chairman of the Board of Directors, the Board of Statutory Auditors may call Shareholders' Meetings and Board of Directors' meetings. The power to call Board of Directors' meetings may be exercised individually by each member</p>	<p>replaced, or, if these numbers of Statutory Auditors are the same, the candidate taken from the list with the fewest votes shall be replaced, or, if the number of votes is the same, the candidate who receives the fewest votes in a dedicated resolution by the Shareholders' Meeting shall be replaced. For the appointment of Statutory Auditors not appointed for any reason according to the above mentioned procedures, the Shareholders' Meeting shall resolve by statutory majority so as to ensure that the composition of the Board of Statutory Auditors complies both with the law and the Bylaws. In the event of the replacement of a statutory auditor from the list that wins the majority of the votes, he/she is replaced by the alternate auditor from the same list; in the event of replacement of a statutory auditor from other lists, he/she is succeeded by the alternate auditor from the those lists. If the replacement fails to ensure the compliance with the law on gender representation, a Shareholders' Meeting must be called as soon as possible to this end.</p> <p>The list voting procedure applies only for the replacement of the entire Board of Statutory Auditors. Additional binding legal provisions, including regulatory rules, remain unchanged.</p> <p>20.4 Outgoing statutory auditors may be re-</p>
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<p>of the Board of Statutory Auditors; power to call Shareholders' Meetings must be exercised by at least two members of the Board.</p> <p>20.6 The Board of Statutory Auditors may meet via conference call or videoconferencing, providing that all participants are identifiable and can follow the discussion, examine, receive and transmit documents and participate in real time in the discussions. A session is considered held if it takes place where the Chairman of the Board of Statutory Auditors and the Secretary, if appointed, are located.</p> <p><u>Chapter VI – FINANCIAL STATEMENT, PROFITS AND DIVIDENDS</u></p> <p>ARTICLE 21</p> <p>21.1 The Company's financial year runs from 1 January to 31 December of each year.</p> <p>At the end of each financial year the Board of Directors prepares the financial statements as required by law.</p> <p>21.2 The net profit shown in the financial statements and properly approved will be distributed:</p> <p>– up to 5% to legal reserves until this</p>	<p>elected.</p> <p>20.5 Upon notice to the Chairman of the Board of Directors, the Board of Statutory Auditors may call Shareholders' Meetings and Board of Directors' meetings. The power to call Board of Directors' meetings may be exercised individually by each member of the Board of Statutory Auditors; power to call Shareholders' Meetings must be exercised by at least two members of the Board.</p> <p>20.6 The Board of Statutory Auditors may meet via conference call or videoconferencing, providing that all participants are identifiable and can follow the discussion, examine, receive and transmit documents and participate in real time in the discussions. A session is considered held if it takes place where the Chairman of the Board of Statutory Auditors and the Secretary, if appointed, are located.</p> <p><u>Chapter VI – FINANCIAL STATEMENT, PROFITS AND DIVIDENDS</u></p> <p>ARTICLE 21</p> <p>21.1 The Company's financial year runs from 1 January to 31 December of each year.</p>
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<p>reaches the limit set by law;</p> <ul style="list-style-type: none">– the remainder will be distributed to shares, except as otherwise resolved by the Shareholders’ Meeting. <p>Dividends not collected within five years of the date on which they became payable revert to the Company.</p> <p>The Board of Directors may agree a dividend payment on account in the course of financial year.</p> <p><u>Chapter VII – LIQUIDATION AND WIND-UP</u></p> <p>ARTICLE 22</p> <p>22.1 The liquidation and wind-up of the Company is governed by the relevant laws.</p> <p><u>Chapter VIII – GENERAL PROVISIONS</u></p> <p>ARTICLE 23</p> <p>23.1 All matters not expressly covered or not otherwise regulated by the Bylaws are governed by provisions of law.</p>	<p>At the end of each financial year the Board of Directors prepares the financial statements as required by law.</p> <p>21.2 The net profit shown in the financial statements and properly approved will be distributed:</p> <ul style="list-style-type: none">– up to 5% to legal reserves until this reaches the limit set by law;– the remainder will be distributed to shares, except as otherwise resolved by the Shareholders’ Meeting. <p>Dividends not collected within five years of the date on which they became payable revert to the Company.</p> <p>The Board of Directors may agree a dividend payment on account in the course of financial year.</p> <p><u>Chapter VII – LIQUIDATION AND WIND-UP</u></p> <p>ARTICLE 22</p> <p>22.1 The liquidation and wind-up of the Company is governed by the relevant laws.</p> <p><u>Chapter VIII – GENERAL PROVISIONS</u></p> <p>ARTICLE 23</p>
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	23.1 All matters not expressly covered or not otherwise regulated by the Bylaws are governed by provisions of law.
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ITG Holding S.p.A.

Statement of financial position at 1 June
2016

(pursuant to Article 2506-ter of the Civil Code)



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ITG Holding S.p.A.

Registered office at Piazza Santa Barbara 7, San Donato Milanese

Paid-up share capital €50,000

Milan Companies Register – Tax Code No 09540420966



Corporate bodies

BOARD OF DIRECTORS

Chairman

Marco Reggiani

Directors

Antonio Paccioretti

Luca Schieppati

BOARD OF STATUTORY AUDITORS

Chairman

Roberto Lonzar

Statutory auditors

Stefania Mancino

Paolo Piccatti

Alternate auditors

Venanzio Cassi

Gabriele Bisceglie



Statement of financial position

	1 June 2016
(in €)	
ASSETS	
Current assets	
Cash and cash equivalents	50,000
TOTAL ASSETS	50,000
LIABILITIES AND SHAREHOLDERS' EQUITY	
Share capital	50,000
TOTAL SHAREHOLDERS' EQUITY	50,000
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	50,000



Explanatory notes

This statement of financial position of ITG Holding S.p.A. at 1 June 2016 reflects only the incorporation transaction, which took place on 1 June 2016 through the subscription and payment by Snam S.p.A. of the entire share capital of €50,000, represented by 50,000 shares with no par value.

The company was incorporated as part of the prospective partial and proportional demerger of Snam S.p.A. and will be the beneficiary of the assets and liabilities subject to this demerger.

At 1 June 2016, the company had not carried out any transactions and held only one asset item: a deposit in the current bank account of €50,000 as consideration for the payment of the share capital. Presentation of the incorporation transaction in the statement of financial position at 1 June 2016 complies with the International Financial Reporting Standards ("IFRS") issued by the Accounting Standards Board ("IASB") and approved by the European Union.

1 June 2016

For the Board of Directors

The Chairman

Marco Reggiani