

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

SNAM S.p.A.

ORDINARY SHAREHOLDERS' MEETING OF 11 APRIL 2017

SINGLE CALL

Report by the Board of Directors on the proposals concerning the items on the agenda of the Shareholders' Meeting

Item 4

2017-2019 Long term share incentive plan. Required and consequent resolutions

Dear Shareholders,

with reference to this item on the agenda, you are convened - in accordance with article 114-*bis* of Legislative Decree No. 58 of 24 February 1998, as amended – to discuss and resolve on the proposal for the adoption of a long-term share incentive plan for the period 2017-2019 (the “**Share Plan**”) relating to Snam S.p.A. and its subsidiaries. The incentive plan scheme was defined by the Board of Directors, on a proposal from the Compensation Committee, at the meeting held on 6 March 2017.

The features of this plan are described in the information document prepared by the Company in accordance with article 84-*bis* of the Regulations adopted by Consob with Resolution No. 11971 of 14 May 1999, made available to the public at the registered office, on the Company's website at www.snam.it and by other means, as required by current legislation.

The information document relating to the Share Plan is attached to this report (as an integral and essential part hereof) and its content is therefore understood to be entirely recalled herein.

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Proposed resolution

Dear Shareholders,

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if you agree with the proposal we have made to you, we submit the following proposed resolution for your approval:

RESOLUTION

“The Shareholders' Meeting of Snam S.p.A., meeting in an ordinary session:

- *having acknowledged the proposal made by the Board of Directors; and*
- *having examined the information document prepared by the Board of Directors in accordance with article 84-bis of the Issuer Regulation,*

resolves

- *to approve, in accordance with and for the purposes of article 114-bis of the CLF , approving of its motivations, the 2017-2019 Long Term Share Incentive Plan, under the terms and conditions stated in the Information Document attached to the Board of Directors' explanatory report,*
- *to grant the Board of Directors and/or on its behalf the Chief Executive Officer, with express power to sub-delegate, all the necessary and appropriate powers to ensure the full and complete implementation of the aforesaid 2017-2019 Long Term Share Incentive Plan, including through individuals appointed for this purpose, including (by way of example only) powers to:*
 - *award the annual allocation of the incentive to the CEO;*
 - *draw up and approve the regulations for each annual award and make the amendments and/or additions to it that are deemed necessary;*
 - *identify the beneficiaries based on the criteria established;*
 - *determine any other terms and conditions required for the implementation of the 2017-2019 Long Term Share Incentive Plan, provided that it does not conflict with the terms of this resolution; and*

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- *issue the disclosure to the market, draw up and/or finalise any document that is required or appropriate in relation to the 2017-2019 Long Term Share Incentive Plan, pursuant to the applicable legislative and regulatory provisions, and, in general, to the implementation of this resolution.”.*

The Chairman of the Board of Directors

Mr Carlo Malacarne