

STUDIO NOTARILE MARCHETTI  
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**Minutes of the Board of Directors**

**REPUBLIC OF ITALY**

In the year 2017 (two thousand and seventeen)  
on the 13 (thirteen) day  
of the month of March  
at 7.05 (five past seven) p.m.

In San Donato Milanese, in Piazza Santa Barbara 7.

Before me, **Carlo Marchetti**, a member of the Board of Notaries of Milan, appeared:

- **Carlo Malacarne**, born in Pavia (PV) on 15 May 1953, domiciled for the purpose of his office in San Donato Milanese, at piazza Santa Barbara 7, whose personal identity I, as Notary, am certain of, who in his capacity as Chairman and, as such, in the interest of the listed limited liability company named:

**"Snam S.p.A."**,

with registered offices in San Donato Milanese at Piazza Santa Barbara no. 7, share capital 2,735,670,475.56 euros, fully paid in, tax code and Milan Business Register no. 13271390158, registered in the Economic and Administrative Register of Milan under no. 1633443, (the **"Company"** or **"Snam"**) asks me to record, as regards the first point, letter B, on the agenda for the meeting of the Board of Directors convened on this day and in this place to discuss and resolve on the following:

agenda

1. *Issue and placement of equity linked bonds. Required and consequent resolutions*

B. *Issue and placement of equity linked bonds. Required and consequent resolutions*

*Omissis*

I am complying with the request made to me and I record that the Board is held, with regards to the debate on the first item on the agenda, letter B, as follows.

Pursuant to the Bylaws, the Appearing Party takes the chair, in his aforesaid capacity, and notes and acknowledges that:

- the meeting had been called with a notice sent on 12 March 2017, by electronic mail to all parties entitled pursuant to article 15 of the Company Bylaws;

- the following Directors are present: Marco Alverà (Chief Executive Officer), Sabrina Bruno, Monica de Virgiliis, Francesco Gori, Yunpeng He, Elisabetta Oliveri and Alessandro Tonetti (connected via teleconferencing in accordance with the Bylaws) and

Lucia Morselli (also connected as above);

- the following Statutory Auditors are also present: Leo Amato (Chairman) and the Standing Auditors, Massimo Gatto and Maria Luisa Mosconi (connected via teleconferencing in accordance with the Bylaws);

- Alessandra Pasini (Chief Financial Officer) (connected via teleconferencing in accordance with the Bylaws) is also present, with the unanimous consent of those in attendance.

The Chairman then declares that the meeting is properly constituted and entitled to resolve, first and foremost, on the first item, letter B, on the agenda.

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The Chief Executive Officer, at the request of the Chairman, moves on to debate the above and reminds those present that Art. 2410 of the Italian Civil Code grants to the administrative body - unless otherwise provided for in the Company's Bylaws - power to issue bonds.

Furthermore, art. 2412 of the Italian Civil Code: (i) provides that bonds may be issued for a total sum that does not exceed double the share capital, legal reserve and available reserves as stated in the last financial statements approved, and (ii) excludes the application of said limits in case of issue of bonds intended to be listed on regulated markets or in multilateral trading systems, or of bonds that give an entitlement to purchase or subscribe shares.

Today's meeting of the Board of Directors of the Company, pursuant to and for the effects of articles 2410 et seq. of the Italian Civil Code and in compliance with the provisions of the Bylaws, is called to approve the issue of equity linked bonds, to be placed with qualified Italian and/or foreign investors (the "**Bond**"), intended to be listed in multilateral trading systems (e.g. "The Third Market (MTF) of the Vienna Stock Exchange") and to be offered for subscription exclusively to qualified Italian and foreign investors.

The Chief Executive Officer explains to those present why, taking into account the market context characterised by yields below the historic average, growing expectations of a rise in interest rates and increasing volatility, it is advisable to perform the operations preparatory to the issue of a Bond in order to be ready to seize on favourable market windows. In particular, the Equity Linked Bond: (i) is a cheaper debt capital raising instrument than a "plain vanilla" bond as it offers a lower coupon than that obtainable on the "ordinary" bond market, (ii) it allows diversification of the investors' base, (iii) it implies a positive signal from the market on the future performance of the share and (iv) if carried out in combination with the buy-back of treasury shares it is cash flow accretive and makes it possible to reduce the cost of capital of the Company.

These types of bonds allow investors to obtain the redemption of the security with shares of the issuer, typically upon maturity, if the security is above the conversion value. Therefore, these bonds differ from other bonds as bondholders are granted, typically upon maturity, the option to transform their legal position from that of creditor to that of shareholder by converting their bonds into shares. The holder of the bonds has the right, therefore, typically upon maturity, to decide whether to: (i) obtain redemption of the nominal value of the bonds or (ii) convert his status from that of creditor of the issuer to that of shareholder, by exercising his right to convert bonds into shares at a predetermined exchange ratio established in the regulation of the bond. The right to the conversion is an option that is implicitly sold by the issuer to the subscriber of the bonds: in exchange for this, the bondholder receives a coupon that is below that of an ordinary bond with the same characteristics.

Investors will have no right to receive dividends on the shares underlying the instrument and they will be protected, through a downward adjustment of the conversion price, only if the dividends paid by Snam are higher than the protection thresholds defined at the time of issue.

For the Equity Linked Bond considered today by Snam, the issue amount is defined based on the size of the treasury shares' buy-back programme since each conversion request by holders of the Bond will be satisfied solely through the delivery of treasury shares.

In short, the Chief Executive Officer believes that the transaction, due to its characteristics, may satisfy the Company's interest in benefiting from the funding of medium-term financial resources on the market under favourable conditions considering the growing cost of debt's scenarios.

In detail, the Bond could have a nominal value ranging between 300 million euros and 400 million euros, with a duration of between five and seven years and a coupon ranging between 0% and 1%, it being understood that the final conditions will be defined at the time of the issue, in view of the market conditions and the offers received during the process of accepting orders (bookbuilding). The funds resulting from the issue will be used to pursue the Company's corporate purpose and to finance, in line with authorisation from the shareholders' meeting to purchase treasury shares, the buy-back of Company's treasury shares which will be used for any conversion requests.

In structural terms, the Bond will have the following characteristics: (a) it will be issued as an equity linked bond; (b) bondholders may request for the bonds to be converted into Company's shares, as long as the shareholders' meeting of the Company, by a specified date after the bonds have been issued (the "**Long-Stop Date**"), authorises the disposal of treasury shares available in the portfolio, also to be used for a convertible bond (the request for this authorisation was resolved on by the Board of

Directors on 6 March 2017 and will be submitted to the Shareholders' Meeting this coming 11 April).

To this end, the shareholders' meeting of the Company will therefore be called on to approve the authorisation to the Board of Directors for the disposal of the treasury shares to serve the Bond. If, in the case of a request to convert the bond into shares by one or more Bond-holders, Snam has a lower number of shares than those required to convert the entire Bond, Snam may fulfil the request of the Bond-holder(s) in part in shares and in part in cash.

As for any subscribers of the issue, the bonds, where issued, will have a minimum price of 100,000 euros and will be offered exclusively to qualified Italian and foreign investors outside the United States of America pursuant to Regulation S of the 1933 Securities Act, Canada, Australia, South Africa and Japan, and to subjects resident in any other country in which the offer, sale or placement are prohibited in compliance with the applicable laws, in any case ruling out any offer, sale or placement with the general public as well as offers, sales or placements in jurisdictions in which the offer, sale or placement of the bonds would be subject to specific authorisations. Finally, as regards the listing of the Bond, the relevant securities are to be listed on a multilateral trading system (e.g. "The Third Market (MTF) of the Vienna Stock Exchange", also in view of the provisions of the aforementioned art. 2412, subsection 5, of the Italian Civil Code).

The Chairman of the Board of Statutory Auditors interjects to state, in the name of the whole Board of Statutory Auditors and pursuant to article 2412, subsection one, of the Italian Civil Code, to the extent necessary, that the proposed bond issue respects the limits set out in article 2412 of the Italian Civil Code.

Therefore, the Board of Directors:

- having noted the regulation on the subject of the issuance of bonds set out in articles 2410 and 2412 of the Italian Civil Code;
- having heard the report of the Chief Executive Officer;
- subject to the compliance with every requirement and condition foreseen by the applicable regulations, and with the commitment to report to the Board on the state of execution of the operations set out above:

### **Unanimously resolves**

#### Firstly

- to approve, no later than 30 (thirtieth) June 2018 (twenty eighteen), the issue of a bond with the main characteristics summarised below:

o type of Bond: equity linked bond, with the possibility of conversion into ordinary shares of the Company - with treasury shares in the Company's portfolio - subject to authorisation by the shareholders' meeting to the disposal of treasury shares;

o amount: ranging between 300 (three hundred) and 400 (four hundred) million euros;

o duration: ranging between 5 (five) and 7 (seven) years, also including

the right of the early redemption;

o interest rate: fixed coupon, where applicable - depending on the market situation at the time of the Bond issue - ranging between 0% (zero per cent) and 1% (one per cent);

o minimum unit price of the bonds: 100,000 euros (one hundred thousand);

o subscribers: qualified Italian and foreign investors, outside the United States of America pursuant to Regulation S of the 1933 Securities Act, Canada, Australia, South Africa and Japan and to subjects resident thereby or in any other country in which the offer, sale or placement would be prohibited in compliance with the applicable laws, in any case ruling out any offer, sale or placement with the general public as well as offers, sales or placements in jurisdictions in which the offer, sale or placement of the bonds would be subject to specific authorisations;

o issue price: 95% (ninety-five per cent) - 105% (one hundred and five per cent) of the nominal value of the bonds;

o initial conversion premium: to be identified in a range between 20% (twenty per cent) and 40% (forty per cent) above the weighted average market price of the ordinary share of the Company recorded on the Electronic Share Market (*Mercato Telematico Azionario*) between the start and the end of the process of accepting orders (bookbuilding), taking into account the indications received from the Joint Bookrunners, the market conditions and practices in similar transactions;

o law applicable to the issue regulations: English Law without prejudice to regulations governing the Meetings of Bond holders which will be subject to Italian law;

o Jurisdiction: English Courts;

o listing: the bonds are intended to be listed

on a multilateral trading system to be identified following the issue (e.g. "The Third Market (MTF) of the Vienna Stock Exchange") as far as possible within 90 days from the settlement date.

Secondly

- to confer a mandate on the Chief Executive Officer and the Chief Financial Officer, separately, with the right to issue submandates, to implement the resolution described above with all the widest and most suitable powers in this regard, including those to:

o initiate the placement of the Bond with the characteristics set out in the previous paragraph, with the power, moreover, to set the Bond launch date, within the limits defined above, in view of the market window deemed most favourable, to not proceed with the placement of the bonds or to suspend it or withdraw it if the market conditions are not favourable;

o define and specify the final terms and conditions for the issue negotiating, defining and finalising the content of the Bond Regulations (Terms and Conditions), in any case in compliance with the resolutions made herein;

o negotiate, define and sign all the deeds, contracts and clauses necessary, connected or even merely appropriate in relation to the aforementioned Bond;

o assign, where necessary or appropriate, duties to subjects who perform activities that are additional, related or consequent to the transaction and with them negotiate and define all the related contracts and clauses;

o proceed to fulfil all obligations, including information obligations, to all the competent Authorities, Italian or foreign, connected with the aforementioned transaction, including, but not limited to, the definition and issuance to the market of press releases linked to the same, as well as the launch of the placement, pricing and issue (and listing) of the bonds;

o define the market for the listing of the Bond and submit appeals, make declarations and more generally sign any document, even if information-related, for the purposes of the same listing;

o in general, accomplish everything needed for the complete execution of the resolutions passed;

o in general, accomplish everything needed, useful or opportune for the success of the initiative, including completing the necessary formalities for the present resolutions to be registered in the Business Register, with the right to make any changes, corrections or additions that might be advisable and/or requested by the competent Authorities, including during registration in the Business Register.

The Chairman, at this point, having addressed the first item, letter B on the agenda, continues the consideration of the remaining points, as minuted separately.

The time is 7.15 (quarter past seven) p.m.

I have read this document to the appearing party who approves it and signs it with me at 7.20 p.m.

It consists of four sheets typed by people I trust and completed by my own hand for thirteen pages and the fourteenth up until here.

Signed Carlo Malacarne

Signed Carlo Marchetti - Notary

Digital copy, true to the original hard copy, pursuant to art. 22, subsection 2, Legislative Decree No. 82, 7 March 2005, filed within the deadline required by the Milan Business Register

Signed Carlo Marchetti

Milan, 14 March 2017

Carried out pursuant to Decree 22 February 2007, by means of M.U.I. (Single Computerized Form).

