

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

**SNAM S.p.A.**

**ORDINARY SHAREHOLDERS' MEETING OF APRIL 11, 2017**

**ON SINGLE CALL**

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

**Item 1**

**Snam S.p.A. financial statements as at December 31, 2016. Consolidated financial  
statements as at December 31, 2016. Reports of the Directors, the Board of Statutory  
Auditors and the Independent Auditors. Related and consequent resolutions.**

Dear Shareholders,

The 2016 financial statements of Snam S.p.A. closed with a profit of € 760,925,444.83 and the consolidated financial statements closed with a profit of € 861 million as shown in the document "2016 Annual Report", filed at the registered offices of the Company, Borsa Italiana S.p.A. and on the Company website. Therefore, this report refers to that document.

Dear Shareholders,

You are invited to approve the financial statements of Snam S.p.A. as at December 31, 2016 which show a profit of € 760,925,444.83.

The Chairman of the Board of Directors

Mr Carlo Malacarne