

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

SNAM S.p.A.

EXTRAORDINARY AND ORDINARY SHAREHOLDERS' MEETING OF 24 APRIL

2018

SINGLE CALL

Report by the Board of Directors on the proposals concerning the items on the agenda of

the Shareholders' Meeting

ORDINARY SESSION

Item 5

**Proposal to change the 2017-2019 long term share incentive Plan. Required and consequent
resolutions**

Dear Shareholders,

with reference to this item on the agenda, you are convened to discuss and resolve on the proposal to amend the long-term share incentive plan for the period 2017-2019 already approved by the Shareholders' Meeting of 11 April 2017 and relating to Snam S.p.A. and its subsidiaries (the "Share Plan").

The proposed amendment submitted for your assessment was resolved on by the Company's Board of Directors on 13 March 2018, on a proposal from the Compensation Committee, and is submitted for your approval pursuant to and for the effects of article 114-*bis* of Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented.

In particular, the proposal is to extend the category of beneficiaries of the Share Plan, which current includes the Chief Executive Officer and General Manager of Snam, the senior executives of Snam and its subsidiaries, a maximum of 20, made up of Executives with Strategic Responsibilities of Snam and other Senior Executives identified by the Chief Executive Officer of Snam from among those holding positions of greatest impact on the company's results or with strategic importance for the

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purpose of achieving Snam's long-term objectives. The proposal is to no longer set a limit of a maximum of 20 beneficiaries in order to extend participation in the share plan to other possible beneficiaries among the managers of the Company and its subsidiaries, with no change to the maximum number of Snam treasury shares arising from the purchases made by the Company already made available to the aforementioned Share Plan.

The other terms and conditions of the Share Plan remain the same with respect to the Plan approved by the Shareholders' Meeting held on 11 April 2017.

The features of the aforementioned Share 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 (updated to take account of the amendments made according to the description in the introductory remarks), 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.

* * *

Dear Shareholders,

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

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- *to approve, in accordance with and for the purposes of article 114-bis of the Legislative Decree no. 58 of 24 February 1998, n. 58, as subsequently amended and supplemented, the amendments to the 2017-2019 long-term share incentive plan resolved on, upon a proposal of the Compensation Committee, by the Board of Directors in the meeting held on 13 March 2018, under the terms and conditions stated in the Information Document attached to the Board of Directors' explanatory report, and namely the extension of participation in the Share Plan to other possible beneficiaries among the managers of the Company and its subsidiaries;*
- *to grant the Board of Directors the power to consider the above amendments approved in the text of the regulations of the aforementioned Plan, and all the necessary and appropriate powers to ensure the full and complete implementation of this resolution."*

The Chairman of the Board of Directors

Mr Carlo Malacarne