

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 2 APRIL

2019

ON SINGLE CALL

Report of the Board of Directors on the proposals relating to items on the agenda of the

Shareholders' Meeting

ORDINARY SESSION

Item 12

**Determination of the remuneration of the Chairman and the members of the Board of
Statutory Auditors**

Dear Shareholders,

pursuant to Article 2402 of the Italian Civil Code, the Shareholders' Meeting determines the annual remuneration for the Chairman of the Board of Statutory Auditors and for the Statutory Auditors, in case of it is not established by the Bylaw. They also receive reimbursement for expenses incurred in connection of their duties.

The Board of Directors recalled that the Shareholders' Meeting of 27 April 2016 had approved the proposal of the Board of Directors to fix the gross annual compensation due to the Chairman of the Board of Statutory Auditors and each Statutory Auditor, respectively, as 80,000.00 euros and 60,000.00 euros, plus reimbursement of the expenses incurred.

The Shareholders' Meeting, in keeping with application criterion 8.C.4. of the Corporate Governance Code approved by the Corporate Governance Committee which establishes that:

“The remuneration of the statutory auditors to be commensurate with the commitment required,

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the importance of the role held as well as the dimensional and sectoral characteristics of the company,” had approved an adjustment to the remuneration of the Chairman of the Board of Statutory Auditors and of each Statutory Auditor in consideration of the evolving complexity of the Company and Group, and of the regulatory framework which required greater commitment from statutory auditors and increased their responsibility.

The aforementioned remunerations are still consistent in terms of the benchmark analysis performed with reference to FTSE MIB companies and in relation to the commitment required by the Company to fulfil the office.

Taking what has been stated above into account, the Board of Directors, considering the remuneration fixed by the Shareholders' Meeting of 27 April 2016 to be adequate, proposes to fix the gross annual compensation due to the Chairman of the Board of Statutory Auditors and each Statutory Auditor, respectively, in Euro 80,000.00 and Euro 60,000.00, plus reimbursement of the expenses.

It is noted that, on 18 April 2008, the Shareholders' Meeting authorised the Board of Directors to extend the insurance policy, provided for the management to cover professional risks, to the directors and to the statutory auditors of Snam S.p.A. according to the standard terms and conditions in practice on the insurance market. his policy, which also guarantees cover for new members of such bodies, provides overall a limit of liability and an annual premium, respectively, of Euro 50 million and euro 170,000.

Dear Shareholders,

you are invited to approve the proposal to fix the gross annual compensation due to the Chairman of the Board of Statutory Auditors and each Statutory Auditor, respectively, in Euro 80,000.00 and Euro 60,000.00, plus reimbursement of the expenses.

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The Chairman of the Board of Directors

Mr Carlo Malacarne