

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

**SNAM S.p.A.**

**EXTRAORDINARY SHAREHOLDERS' MEETING OF 02 FEBRUARY 2021**

**SINGLE CALL**

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

(prepared in accordance with Art. 125-*ter* of Italian Legislative Decree no. 58 of 24 February 1998,  
as subsequently amended and supplemented, as well as with Art. 72 of the Regulation adopted by  
Consob with resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented)

29 December 2020

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

<b>1.</b>	<b>Amendments to the Bylaws as per the first item on the agenda</b>	<b>4</b>
1.1	Inclusion in the Bylaws of the corporate purpose and the pursuit of sustainable success	4
1.2	Adaptation and supplement of the corporate purpose	5
1.3	Comparative text of the clauses of the Bylaws	6
1.4	Assessment of the Board of Directors on whether or not the right of withdrawal applies	9
1.5	Conditions to which the effect of the resolution approving the amendments to the Bylaws as per the first item on the agenda is subject	12
1.6	Proposed resolution on the first item on the agenda	14
<b>2.</b>	<b>Amendments to the Bylaws as per the second item on the agenda</b>	<b>17</b>
2.1	Proposal to eliminate the necessary authorisation of the shareholders' meeting for the disposal, contribution, leasing, usufruct and any other act of disposal, including those that apply to joint ventures, or subject to business restrictions or strategically relevant business units involving gas transportation or dispatching activity.	17
2.2	Comparative text of the clauses of the Bylaws	19
2.3	Assessment of the Board of Directors on whether or not the right of withdrawal applies	20
2.4	Proposed resolution on the second item on the agenda	20
<b>3.</b>	<b>Amendments to the Bylaws as per the third item on the agenda</b>	<b>22</b>
3.1	Amendments to the Bylaws on gender balance	22
3.2	Comparative text of the clauses of the Bylaws	23
3.3	Assessment of the Board of Directors on whether or not the right of withdrawal applies	27
3.4	Proposed resolution on the third item on the agenda	27

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

Dear Shareholders,

You have been convened to a shareholders' meeting to be held on 02 February 2021, on single call, to resolve, in an extraordinary session, on the following items on the agenda:

**Agenda:**

1. Proposed amendment to article 2 of the company Bylaws. Related and consequent resolutions.
2. Proposed amendment to article 12 of the company Bylaws. Related and consequent resolutions.
3. Proposed amendment to article 13 and article 24 of the company Bylaws. Related and consequent resolutions.

The Board of Directors of Snam S.p.A. (“**Snam**” or the “**Company**”) has prepared this explanatory report in accordance with Art. 125-ter of Italian Legislative Decree no. 58/1998, as subsequently amended (the “**Consolidated Law on Finance**”) and Art. 72 of the Regulation adopted by Consob Resolution no. 11971/1999, as subsequently amended (the “**Issuers' Regulations**”) and in compliance with scheme 3 of Annex 3A of said Issuers' Regulations (the “**Explanatory Report**”), in order to present the Company’s Shareholders' Meeting with the proposed resolutions on the items of the agenda relative to the amendment of Articles 2, 12, 13 and 24 of Snam’s Bylaws (the “**Bylaws**”).

In accordance with applicable legislation, this Explanatory Report sets forth the proposed amendments to the Bylaws for adoption, and the related reasons for such, offering, by way of comparison, the text of the current articles of the Bylaws and, in the adjacent column, the proposed amendments to be made.

This Explanatory Report is made available to the public in compliance with the legal terms and in the way established by applicable rules and regulations; it is also available for consultation on Snam’s website ([www.snam.it](http://www.snam.it)).

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

## 1. Amendments to the Bylaws as per the first item on the agenda

### 1.1 Inclusion in the Bylaws of the corporate purpose and the pursuit of sustainable success

During the meeting held on 28 December 2020, the Company's Board of Directors resolved to submit to the approval of the Shareholders' Meeting the proposed introduction of a new first subsection under Article 2 of the Bylaws, in order to acknowledge:

- the Company's commitment to "*fostering the energy transition towards forms of use of the energy resources and sources that are compatible with environmental protection and the progressive decarbonisation*";
- the principle of the pursuit of sustainable success amongst the purposes that must be pursued within the Company's business, through long-term value creation to benefit shareholders and, at the same time, the promotion of the satisfaction of the interests of the relevant Company's stakeholders; and
- Snam's corporate purpose, "Energy to inspire the world".

The inclusion of Snam's corporate purpose in the Bylaws aims to strengthen Snam's commitment to fostering the energy transition. As disclosed to the market, in fact, Snam has decided to further strengthen and substantiate its commitment through the definition of a plan aimed at achieving its objective of carbon neutrality in 2040 and make the most of the opportunities offered up by the energy transition (for more information, see the press release published on 25 November 2020, available on Snam's website, at [www.snam.it/it/media/comunicati-stampa/2020](http://www.snam.it/it/media/comunicati-stampa/2020)).

The attribution of an organisational importance to the pursuit of the company's "*sustainability*" objectives will guide Snam's business and that of the group it heads in the creation of long-term value to the benefit of shareholders amidst a context that, at the same time, will aim to preserve the interests of the relevant Company's stakeholders. This is also in line with the Company's commitment to integrate Environmental, Social and Governance factors into its strategic choices.

These proposed amendments to the Bylaws are in line with the recommendations of the new Borsa Italiana S.p.A. Code of Corporate Governance (approved in January 2020 and applicable starting FY 2021), whereby "*the administrative body guides the company in pursuing its sustainable success*", which "*takes the form of long-term value creation to benefit shareholders, taking into account the interests of other stakeholders relevant for the company*" (envisages Article 1, par. I.).

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

The transposition of these purposes is also consistent with the evolution of the law governing major listed companies, both in European regulations governing the CSR Report <sup>(1)</sup> – which has introduced specific information obligations regarding “*environmental, social and staff-related topics, human rights and the fight against corruption*” –, and in those encouraging long-term shareholder engagement <sup>(2)</sup>, the aim of which is to “*contribute towards the long-term sustainability of EU companies, creating conditions fit for shareholders and improving the cross-border exercise of voting rights, heightening the efficiency of the investment chain to contribute towards growth, the creation of jobs and the competitiveness of the EU*”.

The regulations described above have led, in Italy, to the adoption of a new Art. 123-ter, subsection 3-bis of the Consolidated Law on Finance, which calls for indications on the “*long-term interests*” and the “*sustainability of the company*” to be included in the Report on remuneration policy and compensation paid, as well as the inclusion in the Consolidated Law on Finance of a whole section on the “*Transparency of institutional investors, asset managers and consultants on voting matters*” (Section I-ter, from Art. 124-quater to Art. 124-novies).

## 1.2 Adaptation and supplement of the corporate purpose

The Company’s Board of Directors submits for the approval of the Shareholders' Meeting the proposal to reword the current first subsection of article 2 of the Bylaws – which, following approval of the proposal to introduce the corporate purpose and the pursuit of sustainable success referred to in the previous paragraph 1.1, will become the second subsection of Article 2 of the Bylaws – in order to indicate activities already currently performed by Snam (in particular in the liquefaction and processing sectors), also substituting the reference to hydrocarbons with a more general reference to gases, including liquefied gas (therefore independently from their composition).

The Board of Directors also proposes introducing a new subsection three of Article 2 of the Bylaws in order to extend the stated scope of activities making up the corporate purpose.

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<sup>(1)</sup> See Italian Legislative Decree no. 254 of 30 December 2016, which implemented Directive 2014/95/EU, amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.

<sup>(2)</sup> See Italian Legislative Decree no. 49 of 10 July 2019, incorporating into the Italian legal system Directive (EU) 2017/828 (the “Shareholders’ Rights Directive II”), amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement. In accordance with these regulations, institutional investors and asset managers must notify the public of an “*Engagement Policy*”, which, amongst others, describes “*the methods by which they monitor investee companies on significant matters, including strategy, financial and non-financial results, risks, capital structure, social and environmental impact and corporate governance*” (Art. 124-quinquies, subsection 1, Consolidated Law on Finance).

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

More specifically, without prejudice to the exercise of the main businesses of gas transmission, dispatching, distribution, regasification and storage (with the express mention of liquefaction and processing too), the proposed amendment to the Bylaws submitted for approval by the Shareholders' Meeting aims to clearly identify alongside these businesses also the businesses involved in the energy transition, and is therefore consistent with:

- (i) the expected increase and development of initiatives in the energy transition segment; and
- (ii) the Company's corporate purpose and the pursuit of sustainable success, as recognised by the first subsection of Article 2 of the Bylaws.

The proposed amendment of the Bylaws therefore aims to expressly include in the corporate purpose

- (i) the construction and management of technologies and infrastructure relating to renewable energy sources (including biomethane and bio-LNG), hydrogen, sustainable mobility and natural resources;
- (ii) the production, sale and provision of services concerning renewable energy sources and hydrogen;
- and (iii) the provision of services and creation of works regarding energy efficiency in the public and private sector, in compliance with the applicable legislation and any concessions and/or authorisations required.

Snam's Board of Directors also intends to propose to the Shareholders' Meeting moving to a new fourth subsection of article 2 the Company's authorisation – currently contained in the first subsection of Article 2 – to carry out any economic activity having an instrumental, complementary or ancillary connection with one or more of the activities described above (as per the new second and third subsections of Article 2), and to complete operations deemed necessary or useful or in any case functional to the achievement of its corporate purpose or activities linked to the same.

As regards the additional proposed amendments to Article 2 of the Bylaws, the Company's Board of Directors underlines that these are purely formal amendments of the clause of the Bylaws, aiming to clarify or simplify the language or adapt the text to the new wording.

### *1.3 Comparative text of the clauses of the Bylaws*

The table below shows the Articles of the Bylaws intended to be amended, comparing the current text with the text that would result upon adoption of the proposed amendments in the first item on the agenda of the Shareholders' Meeting (the text proposed for introduction is shown in bold print; the text crossed out is the text proposed for elimination).

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

Current text of the Bylaws	New text of the Bylaws
<b>Article 2</b>	<b>Article 2</b>
	<p><b>2.1. The Company goes about its business with the aim of fostering the energy transition towards forms of use of the energy resources and sources that are compatible with environmental protection and the progressive decarbonisation (Energy to inspire the world). To this end, the Company goes about and organises its business with the aim of pursuing sustainable success through long-term value creation to benefit shareholders, taking into account the interests of the other relevant stakeholders for the Company.</b></p>
<p>2.1 The corporate purpose shall be to exercise, directly or indirectly, in Italy and abroad, including through direct or indirect equity investments in companies, entities or enterprises, regulated activities involving transportation, dispatching, distribution, regasification and storage of hydrocarbons, as well as any other economic activity that is linked through whatever degree of importance to one or more of the activities mentioned above, including the production of hydrocarbons associated with activities for storage thereof, the storage of other gases, the activity of energy metering, as well as the management of organised gas markets; all in observance of the concessions provided for by law.</p>	<p><del>2.1</del> <b>2.2</b>The corporate purpose shall be to exercise, directly or indirectly, in Italy and abroad, including through <del>direct or indirect</del> equity investments in companies, entities or enterprises, <b>in compliance with the applicable legislation and any envisaged concessions and/or authorisations</b>, regulated <b>or unregulated</b> activities involving transportation, dispatching, distribution, regasification, <b>liquefaction, processing</b> and storage of <b>gas (also liquefied gas)</b> <del>hydrocarbons</del>, as well as any other economic activity that is linked through whatever degree of importance to one or more of the activities mentioned above, including the production of <b>gas hydrocarbons</b> associated with activities for storage thereof, <del>the storage of other gases</del>, the activity of energy metering, as well as the management of organised gas markets; all in observance of the concessions provided for by law.</p>
	<p><b>2.3. Without prejudice to the main activities referred to in the previous subsection 2 of this article, the Company exercises, directly and/or indirectly, in Italy and abroad, including through equity investments in companies, entities or enterprises, in compliance with the applicable legislation and any envisaged concessions and/or authorisations, business activities, regulated and unregulated, in the energy transition sector, and in particular:</b></p>

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

	<ul style="list-style-type: none"> <li>- <b>the construction and management of technologies and infrastructure relating to renewable energy sources (including biomethane and bio-LNG), hydrogen, sustainable mobility and natural resources;</b></li> <li>- <b>the production, sale and provision of services concerning renewable energy sources and hydrogen;</b></li> <li>- <b>provision of services and creation of works regarding energy efficiency in the public and private sector.</b></li> </ul>
<p>2.2 In order to carry out its purpose, the Company:</p> <ul style="list-style-type: none"> <li>- may perform all operations deemed necessary or useful to pursue its company purpose; by way of example, it may carry out industrial, commercial, investment, real estate and financial operations, pertaining to assets and liabilities, as well as any activity that is related to the company purpose, including scientific and technical research and the acquisition of patents related to activities carried out, as well as operations for the study, design, construction, acquisition, management and execution of complex systems of transmission, infrastructure, viability, IT and telecommunications, with the exception of collection of public funds and the exercise of activities governed by financial intermediation regulations;</li> <li>- shall carry out and oversee the technical, industrial and financial coordination of</li> </ul>	<p><del>2.2. 2.4. In an instrumental way, in order to carry out its purpose—</del>The Company <b>can carry out any economic activity having an instrumental, complementary or ancillary connection with one or more of the activities described in subsections 2 and 3 of this article. The Company may also:</b></p> <ul style="list-style-type: none"> <li>—<del>may perform all operations deemed necessary or useful to pursue</del> <b>or in any case functional</b> to pursuing the company purpose; by way of example through industrial, commercial, investment, real estate and financial operations, pertaining to assets and liabilities, <b>after obtaining any authorisations required by applicable legislation, in any case with the exclusion of financial activities involving the public and the collection of public funds;</b></li> <li>—<del>as well as perform any activity that is related to the company purpose, including scientific and technical research and the acquisition of patents related to activities carried out, as well as operations for the study, design, construction, acquisition, management and execution of complex systems of transmission, infrastructure, viability, IT and telecommunications, with the exception of collection of public funds and the exercise of activities governed by financial intermediation regulations;</del></li> <li>- carry out and oversee the technical, industrial and financial coordination of subsidiaries, also</li> </ul>



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

<p>subsidiaries, also providing them with the necessary financial assistance and services;</p> <ul style="list-style-type: none"> <li>- may carry out all activities related to environmental protection and reclamation, as well as the safeguarding of the environment;</li> <li>- shall comply with equal treatment criteria towards customers, as well as transparency, impartiality and neutrality as it pertains to transmission and dispatch, in compliance with applicable legislative and regulatory provisions. In particular, the Company, in compliance with principles of cost-effectiveness, profitability and maximisation of shareholder investment, without prejudice to the confidentiality of corporate data, shall carry out its company purpose with the intent to promote competition, efficiency and adequate levels of quality in dispensing services. To this end: <ul style="list-style-type: none"> <li>• the Company shall ensure the neutrality of management of infrastructure deemed essential for the development of a free energy market;</li> <li>• shall prevent discrimination in the access to commercially sensitive information;</li> </ul> </li> <li>- shall prevent cross-transfer of resources among the different segments of the supply chain.</li> </ul>	<p>providing them with the necessary financial assistance and services;</p> <ul style="list-style-type: none"> <li>- may carry out all activities related to environmental protection and reclamation, as well as the safeguarding of the environment.‡</li> </ul> <p><b>2.5 In the performance of its activities, the Company</b> shall comply with equal treatment criteria towards customers, as well as transparency, impartiality and neutrality as it pertains to transmission and dispatch, in compliance with applicable legislative and regulatory provisions. In particular, the Company, in compliance with principles of cost-effectiveness, profitability and maximisation of shareholder investment, without prejudice to the confidentiality of corporate data, shall carry out its company purpose with the intent to promote competition, efficiency and adequate levels of quality in dispensing services. To this end:</p> <ul style="list-style-type: none"> <li>• the Company shall ensure the neutrality of management of infrastructure deemed essential for the development of a free energy market;</li> <li>• shall prevent discrimination in the access to commercially sensitive information;</li> <li>• shall prevent cross-transfer of resources among the different segments of the supply chain.</li> </ul>
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*1.4 Assessment of the Board of Directors on whether or not the right of withdrawal applies*

The proposed amendment of the Bylaws aimed at extending the corporate purposes under Article 2 of the Bylaws is relevant in accordance with Article 2437, first subsection, letter a) of the Italian Civil Code, in accordance with which any shareholders that do not approve resolutions regarding the following matters shall have the right to withdraw, in full or for part of their shares, from the company: *"amendment to the company purpose clause where this enables a significant change in the company's activities."*

The Board of Directors considers that approval by the Shareholders' Meeting of the proposed extension of the corporate purpose may entail a significant change to the business that can be carried

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

out by Snam in accordance with its Bylaws. Therefore, as a consequence of the approval by the Shareholders' Meeting of Snam of the amendments to the Bylaws as per the first item on the agenda, any of Snam's shareholders that do not agree with the relevant resolution will be entitled to exercise their right of withdrawal from the Company in accordance with the above-specified provision (the **“Right of Withdrawal”**).

Share liquidation value

The liquidation value of each Snam share for which the Right of Withdrawal may be exercised was determined as Euro 4.463 by the Company's Board of Directors during the meeting held on 28 December 2020, in compliance with the provisions of Article 2437-ter, subsection three of the Italian Civil Code, namely referring exclusively to the mathematical average of the closure prices of Snam's shares as recorded on the Telematic Stock Market (*“Mercato Telematico Azionario”*) organised and managed by Borsa Italiana S.p.A. in the 6 (six) months prior to the date of publication of the notice of call to the Shareholders' Meeting called to resolve on the proposed amendments of the Bylaws (i.e. 29 December 2020).

Method for exercising the Right of Withdrawal

In compliance with Article 2437, subsection one, of the Italian Civil Code, the Right of Withdrawal can be exercised by any shareholders not contributing towards the resolution passed by Snam's Shareholders' Meeting to approve the amendments to the Bylaws as per the first item on the agenda (thereby meaning any shareholders that abstained, were absent or voted not in favour).

Without prejudice to the fact that further details on the terms and conditions for the exercise of the Right of Withdrawal will be disclosed to Snam's shareholders in accordance with the legal procedures, here follows a brief overview of the main steps of the procedure by which to exercise the Right of Withdrawal and liquidate the shares for which said Right of Withdrawal may be exercised, as regulated by Articles 2437-bis et seq. of the Italian Civil Code:

- the declaration of withdrawal must be submitted by the individual shareholder by means of registered letter with advice of receipt addressed to the Company's registered office and e-mailed ahead to the address to be provided by the Company or faxed ahead or, alternatively, by certified e-mail from the certified e-mail address of the entitled person to the certified e-mail address of the Company, within 15 (fifteen) days of the date of registration with Milan Business Register of the resolution potentially passed by the Shareholders' Meeting to approve the proposed amendments to the Bylaws as per the first item on the agenda. It is specified that,

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

for the purpose of ensuring the timely submission of the declaration of withdrawal, the date of its dispatch will apply. The Company will disclose the registration of said Shareholders' Meeting resolution through the publication of a specific notice;

- the effectiveness of the Right of Withdrawal that may potentially be exercised by Snam's shareholders will be subject, in addition to the conditions provided for by law, to the effectiveness of the meeting resolution approving the amendments to the Bylaws as per the first item on the agenda; therefore, the liquidation of the shares of any withdrawing shareholders will be subject to the satisfaction (or waiver of satisfaction) of the conditions precedent set for the meeting resolution to become effective (as identified in paragraph 1.5 of this Explanatory Report);
- the directors shall, following the closure of the period for the exercise of the Right of Withdrawal, deposit with Milan Business Register, the option right offer on any Snam shares for which the Right of Withdrawal may have been exercised to the other shareholders that have not fully or partially exercised their Right of Withdrawal, proportionally to the shares held by each, and to holders of convertible bonds issued by Snam, on the basis of the exchange ratio (and, therefore, taking into account the number of shares underlying the debt instruments on the basis of the conversion ratio calculated in accordance with the terms and conditions of the loan) (the “Option Right Offer”). The period for the Option Right Offer shall last for at least 30 (thirty) days from when the offer is deposited with Milan Business Register. At the same time as exercising the option, shareholders and holders of convertible bonds shall also have the ability to exercise a pre-emption right over the acquisition of Snam shares of withdrawing shareholders that have been unopted (the “**Pre-emption Right Offer**”), it being agreed that if the number of shares for which the pre-emption right has been exercised exceeds the number of shares unopted, said shares will be assigned to those requesting them proportionally taking into account the percentage of capital held by each in the Company as at the start date of the Option Right Offer period;
- Snam will decide, if upon completion of the Option Right Offer (and the simultaneous Pre-emption Right Offer) Snam shares should still be unopted for which no pre-emption right has been exercised by shareholders not withdrawing and by holders of convertible bonds, on the basis of the outcome of said offers and taking into account market performance, whether or not to place the shares of the withdrawing shareholders with third parties (“**Placement with Third Parties**”); and

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

- if, upon completion of the Option Right Offer, the Pre-emption Right Offer and any Placement with Third Parties, shares still remain of the withdrawing shareholders that have not been purchased by the shareholders of Snam and/or holders of convertible bonds and/or third parties, these residual shares must be acquired by Snam, using available reserves. In accordance with Article 2437-*quater*, subsection five, of the Italian Civil Code, Snam may make such purchases even in derogation to Article 2357, subsection three of the Italian Civil Code, thereby allowing it to exceed the limit of one fifth of the share capital. Insofar as may be necessary, it is also proposed that the Shareholders' Meeting be asked, in the context of passing the resolution approving the proposals pursuant to item 1 on the agenda, to expressly authorise the Board of Directors to proceed with the acquisition of any shares concerned by the Right of Withdrawal that have not been purchased by shareholders, holders of convertible bonds issued by Snam and/or third parties upon completion of the procedure envisaged by Article 2437-*quater* of the Italian Civil Code and any subsequent disposals in the manner permitted by law.

More details on the terms and conditions for the exercise of the Right of Withdrawal and the procedure for liquidating Snam shares for which the Right of Withdrawal may be exercised, will be disclosed to Snam's shareholders also in accordance with Art. 84 of the Issuers' Regulations, by the date of registration with Milan Business Register, of the resolution passed by the Shareholders' Meeting approving the resolutions to amend the Bylaws as per the first item on the agenda.

*1.5 Conditions to which the effect of the resolution approving the amendments to the Bylaws as per the first item on the agenda is subject*

Taking into account the entitlement to exercise the Right of Withdrawal by Snam's shareholders who will not be involved in passing the meeting resolution for the approval of the amendments to the Bylaws as per item one on the agenda (the "**Meeting Resolution**") and the potential outlay by the Company to complete the liquidation procedure, the Company's Board of Directors has resolved to subject the effectiveness of the Meeting Resolution to the satisfaction of the condition precedent relative to the circumstance whereby the amount potentially to be paid by Snam in accordance with Article 2437-*quater* of the Italian Civil Code to shareholders exercising the Right of Withdrawal (the "**Outlay for Withdrawal**") shall not exceed a total of Euro 150 million, clarifying that the Outlay for Withdrawal shall be calculated as the amount that Snam is required to pay for the purchase of shares withdrawn that should not be purchased by shareholders, bond-holders and third parties upon

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

completion of the Option Right Offer, the Pre-emption Right Offer and any Placement with Third Parties (the “**Maximum Outlay Condition**”).

Snam shall have the right to waive satisfaction of the Maximum Outlay Condition in due time to allow Snam to complete the acquisition of the shares for which the Right of Withdrawal was exercised by the deadline of 180 days in accordance with article 2437-quater, fifth subsection, of the Italian Civil Code.

In addition, the Company is subject to the legislation pursuant to Decree Law no. 21 of 15 March 2012, converted with amendments with Italian Law no. 56 of 11 March 2012 (as subsequently amended and supplemented) (the “**Golden Power Legislation**”), which imposes an obligation to notify resolutions passed by companies holding strategic assets that effectively have the effect of *changing the ownership, control or capacity to dispose of the assets themselves or of changing their destination, including resolutions of shareholders' meetings or of administrative bodies concerning [...] a change to the corporate purpose*” (see Article 2, subsection 2 of Italian Decree Law no. 21 of 15 March 2012).

The Company will ask the competent authority, in accordance with the Golden Power Legislation (the “**Golden Power Authority**”) to confirm that conditions are not met for notification of the Meeting Resolution in accordance with the Golden Power Legislation or, if the authority instead considers conditions to be met for said notification, to declare that it does not exercise special powers in connection with the Meeting Resolution.

In light of the above, the Board of Directors has resolved to subject the effect of the Meeting Resolution to the additional condition precedent relative to the circumstance whereby, in connection with the Meeting Resolution: (i) the Golden Power Authority (*x*) acknowledges that criteria are not met for notification in accordance with the Golden Power Legislation; or (*y*) declares that it shall not exercise special powers in connection with said resolution (and, therefore, does not lay down provisions); or (ii) the applicable legal deadline has passed (including any extension of said deadline) without any provision having been issued by the Golden Power Authority that may prevent the unconditional authorisation for the effect of the Meeting Resolution (the “**Golden Power Condition**” and, together with the Maximum Outlay Condition, the “**Conditions Precedent**”).

The company shall have the right to waive satisfaction of the Golden Power Condition within 15 working days of the date of notification to the Company of any provision by the Golden Power Authority in connection with the Meeting Resolution.

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

The Company will provide information on whether or not the Conditions Precedent have been satisfied (or any waiver of such in compliance with the above terms) by means of a press release to be published, amongst others, on the Company website (www.snam.it), in accordance with the terms and conditions of the law. For the sake of clarity, if even one of the Conditions Precedent is not satisfied (or the failure to satisfy such is not waived), the resolution approving the amendments to the Bylaws as per the first item on the agenda shall not become effective and, therefore, the transfers of shares withdrawn (i) from the withdrawing shareholders to those adhering to the Option Right Offer and the Pre-emption Right Offer, (ii) by the Company to any third parties in the event of Placement with Third Parties and (iii) by the withdrawing shareholders to the Company, in respect of shares bought back, will not take place.

*1.6 Proposed resolution on the first item on the agenda*

In light of the above, the Snam Board of Directors proposes that shareholders approve the following proposed resolution:

*“The extraordinary shareholders' meeting of Snam, having regard to the explanatory report by the directors published in accordance with Articles 125-ter of the CLF and 72 of the Issuers' Regulation and in compliance with Annex 3A to the Issuers' Regulations, with reference to the first item on the agenda in the extraordinary part*

**RESOLVED**

- 1. to approve the amendment of Article 2 of the Bylaws, as proposed by the Board of Directors, it being understood that the effect of this resolution will be subject to the satisfaction of the following conditions precedent:
  - a) that the amount potentially to be paid by Snam, in accordance with Article 2437-  
quater of the Italian Civil Code to shareholders that have exercised the Right of  
Withdrawal (the “**Outlay for Withdrawal**”) shall not exceed a total amount of Euro  
150 million, clarifying that the Outlay for Withdrawal shall be calculated as the  
amount that Snam is required to pay for the purchase of shares withdrawn that still  
remain upon completion of the option right offer period to non-withdrawing  
shareholders and holders of convertible bonds issued by Snam and any exercise of  
pre-emption rights by them, as well as any placement with third parties, without  
prejudice to Snam's right to waive satisfying this condition in due time to allow Snam  
to complete the acquisition of the shares for which the Right of Withdrawal was**

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

*exercised by the deadline of 180 days in accordance with article 2437-quater, fifth subsection, of the Italian Civil Code; and*

- b) that in relation to the resolution approving the amendment of Article 2 of the Bylaws pursuant to this item 1 (the “**Meeting Resolution**”); (i) the competent authority (the “**Golden Power Authority**”), in accordance with Italian Decree Law no. 21 of 15 March 2012, converted with amendments with Italian Law no. 56 of 11 March 2012 (as subsequently amended and supplemented) (the “**Golden Power Legislation**”) (x) acknowledges that criteria are not met for notification in accordance with the Golden Power Legislation; or (y) declares that it shall not exercise special powers in connection with said resolution (and, therefore, does not lay down provisions); or (ii) the applicable legal deadline has passed (including any extension of said deadline) without any provision having been issued by the Golden Power Authority that may prevent the unconditional authorisation for the effect of the Meeting Resolution, without prejudice to the right of Snam to waive satisfaction of this condition within 15 working days of the date of notification to the Company of any provision by the Golden Power Authority in connection with the Meeting Resolution;*
2. *to confer upon the Board of Directors, and/or the Chief Executive Officer for it, with the right to use, in whole or in part, special attorneys to this end, all powers as may be required in order to fulfil the foregoing resolution and the consequent legislative and regulatory requirements, including, in particular, to fulfil all formalities necessary to ensure that it is registered with the Business Register in accordance with Article 2436 of the Italian Civil Code, the ability to make any non-substantial amendments and/or additions as may be required by the competent authorities or the notary, or which are in any case considered useful or appropriate, as well as all powers necessary to ensure the completion of the procedure for the liquidation of shares for which the Right of Withdrawal may be exercised, including, merely by way of example (i) to define the terms and conditions of the liquidation procedure (including any placement with third parties of shares for which the Right of Withdrawal has been exercised and that have been left unopted or for which no pre-emption right has been exercised); (ii) to potentially waive satisfaction of the conditions precedent in point 1 above; and (iii) insofar as may be necessary, by express authorisation, if the shares for which the Right of Withdrawal has been exercised are not purchased by shareholders, holders of convertible bonds issued by Snam or third parties upon completion of the procedure envisaged by Article 2437-quater*

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

*of the Italian Civil Code, to purchase and potentially dispose of such, in accordance with the terms and conditions laid down by law and in accordance with the provisions of Borsa Italiana S.p.A.*



## 2. Amendments to the Bylaws as per the second item on the agenda

### 2.1 *Proposal to eliminate the necessary authorisation of the shareholders' meeting for the disposal, contribution, leasing, usufruct and any other act of disposal, including those that apply to joint ventures, or subject to restrictions of strategically relevant business or business units involving gas transportation or dispatching activity.*

The Board of Directors submits for the approval of the Shareholders' Meeting the proposed elimination of the current subsection two of Article 12 of the Bylaws, which calls for advance shareholders' authorisation necessary for resolutions concerning “*disposal, contribution, leasing, usufruct and any other act of disposal, including those that apply to joint ventures, or subject to restrictions of strategically relevant business or business units involving gas transportation or dispatching activity*”.

The current text of subsection two of Article 12 of the Bylaws therefore requires the advance authorisation of the shareholders' meeting in order to dispose of business units of strategic relevance, connected with the business of gas transmission and dispatching.

The proposed elimination of this provision of the Bylaws is on the basis of the following considerations:

- (i) it is a clause of the Bylaws that is not in line with the current statutory structures of listed companies comparable to Snam (and, in particular, with those of almost all listed issuers on the FTSE MIB index of the Telematic Stock Market (“*Mercato Telematico Azionario*”) organised and managed by Borsa Italiana S.p.A.), which reserve decisions regarding disposals of strategic assets to the exclusive competence of the administrative body, in line with the principle under Article 2380-*bis*, subsection 1 of the Italian Civil Code, which envisages that “*The company management [...] shall lie exclusively with the directors, who shall carry out all operations necessary to pursue the corporate purpose*” and with the recommendations of the new Borsa Italiana S.p.A. Code of Corporate Governance (approved in January 2020 and applicable starting FY 2021), in accordance with which the administrative body resolves on “*transactions of the company and its subsidiaries of significant strategic, economic or financial importance to the company*” (see Recommendation 1, letter (e));

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

- (ii) the provision for shareholders' meeting authorisation of a wide range of managerial choices requires the preliminary holding of a shareholders' meeting to pass the relevant resolutions. This step may significantly prolong the time necessary for the completion and the potential success of the transaction, in a particularly competitive market context;
- (iii) any extension of the activities comprising the corporate purpose (as per paragraph 1 above in this Explanatory Report) would make reference purely to “*businesses relating to gas transmission and dispatching*” somewhat limiting, as envisaged by the current text of Article 12.2 of the Bylaws.

In consideration of the reasons given above, the Board of Directors sees the elimination of the second paragraph of article 12 of the Bylaws as compliant with the Company's interests, in that its purpose is to bring managerial actions within the responsibility of the Board of Directors, where the decision-making process is subject to correctness and independence oversights as per the recommendations of the new *Corporate Governance Code* of Borsa Italiana S.p.A. These oversights shall also apply to the approval of transactions to dispose of companies or business units put in place by Snam's subsidiaries and having significant strategic, economic, capital and financial importance <sup>(3)</sup> for the Company and for the group. Decisions on the performance of these transactions are in fact reserved for the Board of Directors of Snam, in compliance with Recommendation 1, letter (e) of the new *Corporate Governance Code* of Borsa Italiana S.p.A.

However, it was also underlined that complete transparency of the terms and conditions of any disposal of business units of strategic importance resolved by the Board of Directors will be ensured by means of the information notice provided to protect the market and shareholders from the legal and regulatory provisions applicable in the case of significant transactions involving acquisitions or transfers <sup>(4)</sup>.

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<sup>(3)</sup> Note that, as indicated in the Corporate Governance and Ownership Structure Report for FY 2019, for the purposes of Recommendation 1, letter (e) of the new *Corporate Governance Code* of Borsa Italiana S.p.A. Snam has identified among transactions of significant strategic, economic, capital and financial importance those concerning, inter alia, acquisitions, sales, disposals, contributions of companies or business units (including rent and usufruct) worth more than 100 million euros put in place by the subsidiaries.

<sup>(4)</sup> See, for example, art. 71 of the Issuers' Regulations (which applies to Snam as the latter has not exercised the right to opt-out) which requires issuers, in the case of significant transactions involving acquisitions or transfers, to make available to the public an information notice on the characteristics of the transaction, drawn up in compliance with Annex 3B to the Issuers' Regulations.

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

If the proposed elimination of the second subsection of Article 12 of the Bylaws is approved, the text of the current subsection three of Article 12 would also need to be amended, eliminating the reference made to the “other” matters coming under the purview of the ordinary shareholders’ meeting.

2.2 *Comparative text of the clauses of the Bylaws*

The table below shows the Articles of the Bylaws intended to be amended, comparing the current text with the text that would result upon adoption of the proposed amendments in the second item on the agenda of the Shareholders' Meeting (the text proposed for introduction is shown in bold print; the text crossed out is the text proposed for elimination).

Current text of the Bylaws	New text of the Bylaws
<b>Article 12</b>	<b>Article 12</b>
12.1 The validity of Shareholders' Meetings shall be established in accordance with the law.	Unchanged
12.2 The Ordinary Shareholders’ Meeting shall authorise resolutions concerning disposal, contribution, leasing, usufruct and any other act of disposition, including those that apply to joint ventures, or subject to business restrictions or strategically relevant business units involving gas transportation or dispatching activity, without prejudice to the directors’ responsibility for the actions carried out, pursuant to Article 2364 no. 5 of the Italian Civil Code. Resolutions in such matters shall be adopted by a favourable vote of shareholders representing at least three quarters of the capital present at the meeting.	<del>12.2 The Ordinary Shareholders’ Meeting shall authorise resolutions concerning disposal, contribution, leasing, usufruct and any other act of disposition, including those that apply to joint ventures, or subject to business restrictions or strategically relevant business units involving gas transportation or dispatching activity, without prejudice to the directors’ responsibility for the actions carried out, pursuant to Article 2364 no. 5 of the Italian Civil Code. Resolutions in such matters shall be adopted by a favourable vote of shareholders representing at least three quarters of the capital present at the meeting.</del>
12.3 For other matters within its powers, the ordinary Shareholders’ Meeting shall decide with the majorities set by law.	<del>12.3</del> <b>12.2</b> For other matters within its powers, the ordinary Shareholders’ Meeting shall decide with the majorities set by law.
12.4 The extraordinary Shareholders’ Meeting shall resolve with a majority of at least three quarters of the capital present at the meeting.	<del>12.4</del> <b>12.3</b> The extraordinary Shareholders’ Meeting shall resolve with a majority of at least three quarters of the capital present at the meeting.
12.5 The Board of Directors is required to discuss proposals concerning:	<del>12.5</del> <b>12.4</b> The Board of Directors is required to discuss proposals concerning:

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

<ul style="list-style-type: none"> <li>- mergers in the cases specified in articles 2505 and 2505-<i>bis</i> of the Italian Civil Code, also in the case of demergers;</li> <li>- the opening, changing or closing of branches;</li> <li>- the reduction in the share capital upon withdrawal of one or more shareholders;</li> <li>- the adaptation of the Bylaws to legal provisions;</li> <li>- the transfer of the registered office within Italy.</li> </ul>	<ul style="list-style-type: none"> <li>- mergers in the cases specified in articles 2505 and 2505-<i>bis</i> of the Italian Civil Code, also in the case of demergers;</li> <li>- the opening, changing or closing of branches;</li> <li>- the reduction in the share capital upon withdrawal of one or more shareholders;</li> <li>- the adaptation of the Bylaws to legal provisions;</li> <li>- the transfer of the registered office within Italy.</li> </ul>
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*2.3 Assessment of the Board of Directors on whether or not the right of withdrawal applies*

The proposed amendments are organisational in nature and do not come under any of the hypotheses of withdrawal under Article 2437, subsection 1 of the Italian Civil Code. It is therefore considered that shareholders not involved in approving the resolution concerning such amendments, shall not have the right of withdrawal.

*2.4 Proposed resolution on the second item on the agenda*

In light of the above, the Snam Board of Directors proposes that shareholders approve the following proposed resolution:

*“The extraordinary shareholders' meeting of Snam, having regard to the explanatory report by the directors published in accordance with Articles 125-ter of the CLF and 72 of the Issuers' Regulation and in compliance with Annex 3A to the Issuers' Regulations, with reference to the first item on the agenda in the extraordinary part*

**RESOLVED**

- 1. to approve the elimination of Article 12.2 of the Company Bylaws, as proposed by the Board of Directors;*
- 2. to amend Article 12.3 of the Company Bylaws, as proposed by the Board of Directors;*
- 3. to confer upon the Board of Directors, and/or the Chief Executive Officer for it, with the right to use, in whole or in part, special attorneys to this end, all powers as may be required in order to fulfil the foregoing resolution and the consequent legislative and*

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

*regulatory requirements, including, in particular, to fulfil all formalities necessary to ensure that it is registered with the Business Register in accordance with Article 2436 of the Italian Civil Code, the ability to make any non-substantial amendments and/or additions as may be required by the competent authorities or the notary, or which are in any case considered useful or appropriate.*

### 3. Amendments to the Bylaws as per the third item on the agenda

#### 3.1 Amendments to the Bylaws on gender balance

The proposed amendment submitted by the Board of Directors to the approval of the Shareholders' Meeting regards the adjustment of the provisions of the Bylaws on the quota reserved for the least represented gender in corporate bodies to match the new regulatory structure, as per Art. 1, subsections 302-303 of Italian Law no. 160 of 27 December 2019 (the “**2020 Budget Law**”).

More specifically, the 2020 Budget Law has amended subsection 1-*ter* of Article 147-*ter* and subsection 1-*bis* of Article 148 of the Consolidated Law on Finance, requiring the Bylaws of listed companies to envisage that the split of the members - respectively - of the Board of Directors and the Board of Statutory Auditors should be such as to reserve a quota of “*at least two fifths*” of the members to be elected to the least represented gender, rounding up as necessary to the next whole number. With communication no. 1/20 of 30 January 2020, Consob declared that it considered the criterion of rounding up to the next whole number to be inapplicable due to mathematical impossibility for corporate bodies made up of three members (such as the Board of Statutory Auditors).

In accordance with the new legislative provisions, the new criterion of “*two fifths*” will apply for six consecutive mandates starting from the first renewal of the corporate bodies following the date on which the 2020 Budget Law came into effect (03 January 2020).

That said, note that the current wording of article 13 of the Bylaws – approved by the Shareholders' Meeting of the Company on 23 October 2019 – requires, as a criterion for gender division in the composition of the Bylaws, the quota reserved for the least represented gender to be at least one third of the members to be elected. It is therefore necessary to amend the provisions of Article 13 of the Bylaws so as to adapt the criterion of the split envisaged therein to comply with the new regulatory structure introduced with the 2020 Budget Law.

The proposed amendment therefore envisages establishing that at least two fifths of the members of the Board of Directors, or any different quota - if greater - envisaged by provisions in force and applicable *pro tempore* must be of the least represented gender (see Article 13.3 of the Bylaws). The same criterion shall also apply in respect of the completion of the slates of candidates for the office of Company director (see Article 13.8 of the Bylaws).

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

The new provision of the Bylaws envisages a “mobile” referral to current legislation in force *pro tempore*, which will only apply if the quota reserved to the least represented gender envisaged therein is more favourable than the threshold currently envisaged by applicable legislation (and incorporated into the Bylaws). The Company’s commitment to align to the best standards on matters of gender equality is therefore confirmed.

Finally, the Board of Directors proposes you add a transitional clause (Article 24 of the Bylaws) to envisage that the above amendments to Articles 13.3 and 13.8 of the Bylaws shall apply from the first renewal of the Board of Directors after expiry of the mandate of the Board of Directors currently in office (appointed on 02 April 2019) and that up until that point, and even if new directors are co-opted, the “*one third*” split criterion shall apply. This transitional clause is compliant with the provisions with the 2020 Budget Law, in accordance with which the new criterion of “*two fifths*” will apply starting from the first renewal of the corporate bodies following the date on which the 2020 Budget Law came into effect (03 January 2020).

For the sake of completeness, it is noted that there is no need to proceed with the amendment of the provisions of the current Bylaws regulating the members and election of the Board of Statutory Auditors. The current text of Article 20.3 of the Bylaws in fact envisages that “*one standing auditor and one alternate auditor must belong to the less represented gender*”. Given that with respect to the members of the Board of Statutory Auditors, insofar as it is a corporate body made up of three members, the provisions of the above-recalled Consob communication no. 1/20 of 30 January 2020 apply - which considers the criterion of rounding up to be inapplicable - the current provision as per Article 20.3 of the Bylaws is already fully compliant with the new criterion of “*two fifths*” (rounded down) of the members of the Board of Statutory Auditors.

### 3.2 Comparative text of the clauses of the Bylaws

The table below shows the Articles of the Bylaws intended to be amended, comparing the current text with the text that would result upon adoption of the proposed amendments in the third item on the agenda of the Shareholders' Meeting (the text proposed for introduction is shown in bold print; the text crossed out is the text proposed for elimination).

Current text of the Bylaws	New text of the Bylaws
<b>Article 13</b>	<b>Article 13</b>
13.1	[Unchanged]

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

13.2	[Unchanged]
<p>13.3 The Board of Directors shall be appointed by the Shareholders' Meeting in compliance with the provisions of these Bylaws and with the aim of ensuring gender balance in the composition of the Board itself.</p> <p>The Board of Directors shall be appointed on the basis of slates submitted by the shareholders, on which candidates must be listed by means of a progressive number.</p> <p>The slates shall be deposited at the Company's registered offices no later than the twenty-fifth day preceding the date in which the Shareholders' Meeting shall convene to discuss the appointment of the members of the Board of Directors, and shall be made available to the public at least twenty-one days prior to the Shareholders' Meeting, in accordance with the terms and conditions provided for in the law and Consob's own regulations.</p> <p>Each shareholder may submit or participate in the submission of and vote a single slate in accordance with the terms set forth in the aforementioned legislative and regulatory provisions.</p> <p>Each candidate may only submit his/her candidacy on one slate, under penalty of ineligibility.</p> <p>Slates may only be presented by Shareholders who, alone or together with other Shareholders, represent at least 2% or are together the owners of such other stake in the capital as Consob may set in its regulations. Ownership of the minimum share necessary to submit slates shall be defined by taking account of shares that are registered to the shareholder on the day on which the slates are deposited with the Company.</p> <p>In order to prove ownership of the number of shares necessary to submit slates, shareholders must produce the relevant certification issued in accordance with the law by qualified intermediaries within the deadline set for the publication of slates by the Company.</p> <p>At least one director, if the Board is made up of no more than seven members, or at least three directors,</p>	<p>13.3 The Board of Directors shall be appointed by the Shareholders' Meeting in compliance with the provisions of these Bylaws and with the aim of ensuring gender balance in the composition of the Board itself.</p> <p>The Board of Directors shall be appointed on the basis of slates submitted by the shareholders, on which candidates must be listed by means of a progressive number.</p> <p>The slates shall be deposited at the Company's registered offices no later than the twenty-fifth day preceding the date in which the Shareholders' Meeting shall convene to discuss the appointment of the members of the Board of Directors, and shall be made available to the public at least twenty-one days prior to the Shareholders' Meeting, in accordance with the terms and conditions provided for in the law and Consob's own regulations.</p> <p>Each shareholder may submit or participate in the submission of and vote a single slate in accordance with the terms set forth in the aforementioned legislative and regulatory provisions.</p> <p>Each candidate may only submit his/her candidacy on one slate, under penalty of ineligibility.</p> <p>Slates may only be presented by Shareholders who, alone or together with other Shareholders, represent at least 2% or are together the owners of such other stake in the capital as Consob may set in its regulations. Ownership of the minimum share necessary to submit slates shall be defined by taking account of shares that are registered to the shareholder on the day on which the slates are deposited with the Company.</p> <p>In order to prove ownership of the number of shares necessary to submit slates, shareholders must produce the relevant certification issued in accordance with the law by qualified intermediaries within the deadline set for the publication of slates by the Company.</p> <p>At least one director, if the Board is made up of no more than seven members, or at least three directors,</p>



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

<p>if the Board is made up of more than seven members, must meet the requirements of independence laid down for statutory auditors of listed companies.</p> <p>The slates shall expressly bear the names of candidates who meet the aforementioned requirement of independence.</p> <p>At least one third (rounding up in the case of a decimal number) of the members of the Board of Directors must belong to the less represented gender.</p> <p>Pursuant to the Decree of the President of the Council of Ministers of 25 May, 2012, containing the “Criteria, conditions and terms for the adoption of the model for the demerger of Snam S.p.A., in accordance with Article 15, of Law no. 27 of 24 March, 2012”, the directors may not be appointed to offices in administrative or control bodies or in managerial positions at ENI S.p.A. and its subsidiaries, nor may they entertain any direct or indirect, professional or financial relationship with the aforementioned companies.</p> <p>Furthermore, all candidates must meet the requirements of integrity laid down in current legislation.</p> <p>In the slates that present three or more candidates, at least one third of the candidates (rounded up, in the case of a decimal figure, to the next whole number) must belong to the less represented gender, as also specified in the call notice for the Shareholders’ Meeting.</p>	<p>if the Board is made up of more than seven members, must meet the requirements of independence laid down for statutory auditors of listed companies.</p> <p>The slates shall expressly bear the names of candidates who meet the aforementioned requirement of independence.</p> <p><del>At least one third (rounding up in the case of a decimal number) of the members of the Board of Directors must belong to the less represented gender.</del>  <b>At least two fifths of the members of the Board of Directors, or any different proportion – if higher – as envisaged by provisions in force <i>pro tempore</i> on the matter, must belong to the less represented gender, with mandatory rounding up, in the event of a decimal figure, to the next whole number, if there are five or more members.</b></p> <p>Pursuant to the Decree of the President of the Council of Ministers of 25 May, 2012, containing the “Criteria, conditions and terms for the adoption of the model for the demerger of Snam S.p.A., in accordance with Article 15, of Law no. 27 of 24 March, 2012”, the directors may not be appointed to offices in administrative or control bodies or in managerial positions at ENI S.p.A. and its subsidiaries, nor may they entertain any direct or indirect, professional or financial relationship with the aforementioned companies.</p> <p>Furthermore, all candidates must meet the requirements of integrity laid down in current legislation.</p> <p>In the slates that present three or more candidates, at least <b>two fifths of the candidates, or any different proportion – if higher – as envisaged by provisions in force <i>pro tempore</i> on the matter</b>, one third of the candidates (rounded up, in the case of a decimal figure, to the next whole number) must belong to the less represented gender, <b>with mandatory rounding up, in the event of a decimal figure, to the next whole number, if there are five or more candidates, and as better also</b> specified in the call notice for the Shareholders' Meeting.</p>
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Report of the Board of Directors on the proposals relating to items on the agenda of the Shareholders' meeting

<p>At the time of deposit, each slate, under penalty of its inadmissibility, must be accompanied by the professional CV of each candidate, along with the declarations by which candidates accept their candidacy and, under their own responsibility, declare the non-existence of reasons for ineligibility and incompatibility, in addition to their ownership of the aforementioned requirements of integrity and independence.</p> <p>The appointed directors must notify to the Company of their loss of the aforementioned requirements of independence and integrity, as well as the occurrence of causes for ineligibility and incompatibility, if any.</p>	<p>At the time of deposit, each slate, under penalty of its inadmissibility, must be accompanied by the professional CV of each candidate, along with the declarations by which candidates accept their candidacy and, under their own responsibility, declare the non-existence of reasons for ineligibility and incompatibility, in addition to their ownership of the aforementioned requirements of integrity and independence.</p> <p>The appointed directors must notify to the Company of their loss of the aforementioned requirements of independence and integrity, as well as the occurrence of causes for ineligibility and incompatibility, if any.</p>
13.4	[Unchanged]
13.5	[Unchanged]
13.6	[Unchanged]
13.7	[Unchanged]
<p>13.8 If in the course of the financial year one or more vacancies occur on the Board, the procedure specified in Art. 2386 of the Italian Civil Code shall be followed.</p> <p>In any case, respect for the minimum number of independent directors and the presence of least one third (rounded up in the case of decimal number, to the next whole number) of the directors belonging to the less represented gender must be ensured.</p> <p>If there is no longer a majority of directors, the entire Board of Directors shall resign, and a Shareholders' Meeting shall be convened in a timely manner by the Board of Directors for the reconstitution of the latter.</p>	<p>13.8 If in the course of the financial year one or more vacancies occur on the Board, the procedure specified in Art. 2386 of the Italian Civil Code shall be followed. In any case, respect for the minimum number of independent directors and the presence of least <b>two fifths of the candidates for the Board of Directors, or any different proportion - if greater - as envisaged by provisions in force <i>pro tempore</i> on the matter</b> <del>one third (rounded up in the case of decimal number, to the next whole number)</del> of the directors belonging to the less represented gender must be ensured, <b>with mandatory rounding up, in the event of a decimal figure, to the next whole number, if there are five or more members.</b></p> <p>If there is no longer a majority of directors, the entire Board of Directors shall resign, and a Shareholders' Meeting shall be convened in a timely manner by the Board of Directors for the reconstitution of the latter.</p>
13.9	[Unchanged]
<b>Current text of the Bylaws</b>	<b>New text of the Bylaws</b>
<b>Article 24</b>	<b>Article 24</b>

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

24.1	[Unchanged]
	<p><b>24.2 The provisions of articles 13.3 and 13.8, which aim to ensure that at least two-fifths of the directors belong to the least represented gender, shall apply as of the first renewal of the administrative body after that appointed by the Shareholders' Meeting of 2 April 2019. Up until such time, also in the case of co-optation, the composition of the Board of Directors shall comply with the quota of at least one third (rounded up to the next whole number in the case of a decimal number).</b></p>

*3.3 Assessment of the Board of Directors on whether or not the right of withdrawal applies*

The proposed amendments do not come under any of the hypotheses of withdrawal under Article 2437, subsection 1 of the Italian Civil Code. It is therefore considered that shareholders not involved in approving the resolution concerning such amendments, shall not have the right of withdrawal.

*3.4 Proposed resolution on the third item on the agenda*

In light of the above, the Snam Board of Directors proposes that shareholders approve the following proposed resolution:

*“The extraordinary shareholders' meeting of Snam, having regard to the explanatory report by the directors published in accordance with Articles 125-ter of the CLF and 72 of the Issuers' Regulation and in compliance with Annex 3A to the Issuers' Regulations, with reference to the first item on the agenda in the extraordinary part*

**RESOLVED**

- 1. to approve the amendment of Article 13 of the company's Bylaws and Article 24 of the company's Bylaws, as proposed by the Board of Directors;*
- 2. to confer upon the Board of Directors, and/or the Chief Executive Officer for it, with the right to use, in whole or in part, special attorneys to this end, all powers as may be required in order to fulfil the foregoing resolution and the consequent legislative and regulatory requirements, including, in particular, to fulfil all formalities necessary to ensure that it is registered with the Business Register in accordance with Article 2436 of the Italian Civil Code, the ability to make any non-substantial amendments and/or*

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

*additions as may be required by the competent authorities or the notary, or which are in  
any case considered useful or appropriate.*

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Milan, 28 December 2020

The Chairman of the Board of Directors

Mr Nicola Bedin