

REGULATION OF THE COMPENSATION COMMITTEE

OF SNAM S.p.A.

This regulation, approved by the Board of Directors on 11 May 2016, regulates the composition and appointment, method of operation, duties, powers and means of the Compensation (“**Committee**”), an internal committee of the Board of Directors of Snam S.p.A.

The Committee was created by resolution of the Board of Directors pursuant to art. 13.9 of the Bylaws in accordance with the Corporate Governance Code approved by the Corporate Governance Committee (“**Corporate Governance Code**”).

Article 1 – Composition and appointment

1.1. The Committee shall be composed of three non-executive directors, all independent, or alternatively the majority of whom are independent as defined in the Corporate Governance Code; in the latter case the Chairman is selected among the independent directors.

1.2. At least one Committee member shall have an adequate knowledge and experience in finance or remuneration policies, to be assessed by the Board of Directors at the time of his/her appointment.

1.3. The Board of Directors shall appoint and revoke the members and the Chairman of the Committee.

Article 2 – Operation

2.1. The Chairman of the Committee calls and chairs the meetings. If absent or in case of his or her impediment, the oldest member of the Committee present shall preside. The Human Resources, Organization & Security Manager shall act as Secretary of the Committee and assist the Chairman in the execution of his or her functions.

2.2. The Chairman of the Board of Statutory Auditors or Standing Auditor designated thereby may participate in the Committee meetings; meetings can also be attended by, at the invitation of the

Committee itself, other persons, in order to provide information and express their pertinent evaluations regarding single items on the agenda.

2.3. The Committee shall meet with the frequency needed to discharge its duties, normally four times a year on the dates specified in the annual meetings calendar approved by the Committee itself and in any case where the meeting is necessary or opportune.

2.4 The call notice shall be sent by the Secretary at the request of the Chairman of the Committee, by uploading in the "Secure Area". If this is not possible, the notice shall be sent by email, as a rule at least five days before the date set for the meeting. In case of need and urgency, said notice may be sent at least 12 hours before the date set for the meeting. A copy of the notice is sent to the Chairman of the Board of Directors, the Chief Executive Officer, the Chairman of the Board of Statutory Auditors and Secretary of the Board of Directors.

Before its transmission, assisted by the Secretary of the Committee, the Secretary of the Board of Directors shall check that the matters to be dealt with relating to the meetings of the Board of Directors have been included in the agenda.

2.5. The call notice contains an indication of the place, generally the Company's registered offices, the date and the time of the meeting, as well as the list of the matters to be dealt with. The Committee meeting may be held via conference call or video conference on condition that all participants are identified, and can follow the discussion and speak in real time on the matters discussed. The meeting is considered to be held in the place where the Chairman of the Committee is located.

2.6. Any documentation regarding the items on the agenda shall be made available to the members, by the Secretary, in the "Secure Area" reserved to the Committee and may be sent by electronic mail to the addresses indicated by the members of the Committee as well as in the other forms agreed at least five days before the date of the meeting, apart from in exceptional cases. In addition

to the legal obligations regarding sensitive information, the members of the Committee are required to maintain the confidentiality of the data and information they receive in the exercise of their duties.

2.7. The Committee meeting is validly constituted if the majority of the members in office are present and takes decisions by an absolute majority of those present. In case of deadlock the Chairman shall have the casting vote. 2.8. The Secretary shall draw up the minutes of the meetings.

The draft minutes are submitted to the Chairman of the Committee and the other members for any observations and the minutes are normally approved at the next meeting of the Committee.

The minutes are signed by the Chairman of the meeting and by the Secretary and sent to the members of the Committee, the Chairman of the Board of Directors, the Chief Executive Officer, the Chairman of the Board of Statutory Auditors (or Auditor designated by the same, if any) and to the Secretary of the Board of Directors.

2.9. No director takes parts in Committee meetings in which proposals are made by the Committee regarding his/her compensation.

Article 3 - Duties

3.1. Pursuant to the Bylaws, the Committee has proposing and consultative functions towards the Board and, specifically:

- a) it submits the Remuneration Report and, in particular, the compensation policy for Directors and executives with strategic responsibilities (managers of Snam who, during the financial year and together with the Chief Executive Officer, are permanent members of the Company's Management Committee), to the Board of Directors, for its approval and presentation to the Shareholders' meeting convened for the approval of the financial statements, under the terms provided for by law;

- b) it reviews the vote on the Compensation Report taken by the Shareholders' Meeting in the previous financial year and expresses an opinion to the Board of Directors;
- c) it formulates proposals on the compensation of the Chairman and the Chief Executive Officer, with regard to the various forms of compensation and economic treatment;
- d) it makes proposals concerning the compensation of members of the Board Committees;
- e) it examines information reported by the Chief Executive Officer and proposes:
 - the general criteria for the compensation of Executives with strategic responsibilities;
 - general guidelines for the compensation of other Executives of Snam and its Subsidiaries;
 - annual and long-term incentive plans, including share-based plans;
- f) it proposes the definition of performance targets, the aggregation of company results, the definition of clawback clauses, related to the implementation of incentive plans and the determination of the variable compensation of directors with powers;
- g) it proposes the definition, in relation to directors with powers: *i)* of the indemnification to be paid in the event of termination of their employment; *ii)* of the non-competition agreements;
- h) it monitors the application of decisions made by the Board;
- i) it periodically evaluates the adequacy, overall consistency and practical application of the policy adopted, as described above letter a), by preparing proposals on this subject to the Board;
- j) it performs any duties that may be required by the procedure concerning related-parties transactions carried out by the Company;
- k) it reports on the exercising of its functions to the Shareholders' Meeting convened to approve the separate financial statements for the year, through the Chairman of the Committee or another member appointed by the latter.

3.2. Reports to the Board, at least once every six months, not later than the latest date for the approval of the annual and half-yearly report, at the meeting specified by the Chairman of the Board of Directors; in addition, subsequently to its own meeting the Committee updates the Board of Directors in a communication, at the first available meeting, on the topics discussed and the comments, recommendations and opinions formulated therein.

Article 4 - Powers and means

4.1. The Committee is entitled to access the information and company departments needed so as to perform its duties.

4.2. The Committee is endowed by the Board of Directors with the resources necessary for performing its duties; in particular it may, within the terms laid down, from time to time, by the Board of Directors, have recourse, through the company's structures, to external consultants who are not in situations such as might compromise their independence of judgement.