

Reports 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 25, 26 AND
27 MARCH 2013, ON FIRST, SECOND AND THIRD CALL,
RESPECTIVELY
AND ORDINARY SHAREHOLDERS' MEETING OF 25 AND 26
MARCH 2013, ON FIRST AND SECOND CALL, RESPECTIVELY**

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the agenda of the Shareholders' Meeting**

Ordinary Part

Item 9

Appointment of Statutory Auditors

Shareholders,

With the Shareholders' Meeting for approving the financial statements as at 31 December 2012, the term of office of the Board of Statutory Auditors appointed by the Shareholders' Meeting of 27 April 2010 has come to a close. Pursuant to Article 20 of the Bylaws, the Board of Statutory Auditors is composed of three effective auditors and two alternate auditors, and the Shareholders' Meeting is called upon to appoint the Board of Statutory Auditors based on the list presented by the shareholders, in which the candidates are listed by consecutive number. The candidates for the office of statutory auditor must fulfil the requirements of independence mandated by Article 148, paragraph 3, of Legislative Decree No. 58 of 24 February 1998 (TUF) as well as the professionalism and integrity requirements of Decree

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No. 162 of 30 March 2000 of the Ministry of Justice, considering subject matters and sectors that strictly pertain to the Company's business as identified in Article 20 of the Bylaws. The subject matters that strictly pertain to the Company's business are: commercial law, business economics and business finance. The sector that strictly pertains to the Company's business is engineering and geology.

Furthermore, the statutory auditors must comply with the limit on the cumulation of offices as set by Consob in Article 144-*terdecies* of Regulation No. 11971 of 14 May 1999 (hereinafter "Issuer Regulation").

Under the Bylaws the appointment also must be made in adherence to the equality of gender representation provision referred to in Law No. 120 of 12 July 2011. As this involves the first application of that provision, under Article 20 of the Bylaws shareholders who intend to present a list for the replacement of the Board of Statutory Auditors containing three or more candidates are asked to include, in the section for effective auditors, such number of candidates belonging to the least represented gender as is equal to at least one fifth of the candidates (rounding up, if necessary, to the next highest unit) as well as, if the section for alternate auditors indicates two candidates, one of each gender.

The shareholders are also reminded to consider the independence requirements mandated for statutory auditors by the Borsa Italiana S.p.A. Corporate Governance Code. For the presentation, filing and publication of the lists, the procedures relating to the appointment of directors by voting list apply, to which reference should be made, in addition to the provisions of the Issuer Regulation. In particular, only shareholders who, alone or

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jointly with others, hold at least 1% of the shares entitled to vote in an Ordinary Shareholders' Meeting may present lists.

The lists presented must be filed with the registered office by 28 February 2013. The lists may be sent by mail or delivered to the following address:

Snam S.p.A.

Direzione Affari Legali, Societari e *Compliance* (March 2013 Shareholders' Meeting Lists for appointment of Board of Statutory Auditors,)

Piazza Santa Barbara, 7

20097 San Donato Milanese (MI) – Italy

or by fax to the Direzione Affari Legali, Societari e *Compliance* of Snam, + 39 02 37037631 or by e-mail to segreteriaassociataria@snam.it.

The lists must be accompanied by the following under penalty of invalidity:

- Information on the identities of the shareholders presenting the lists, including the overall equity percentage held;
- A statement from shareholders who do not hold, even jointly, a relative majority or controlling stake, certifying as to the absence of links, as provided for in Article 144-*quinquies* of the Issuer Regulation, with such others;
- An acceptance of the candidacy, exhaustive information about the personal and professional characteristics of the candidates and a statement by them certifying that they fulfil the requirements provided for by law and the Bylaws, with reference as well to Article 2, paragraph 2, letter c), of the Prime Ministerial Decree of 25 May 2012

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and to the rules of the Issuer Regulation relating to limits on the cumulation of offices.

The shareholders are also asked to consider the recommendations made by Consob on links between “majority shareholders” and “minority shareholders” lists contained in Message No. DEM/9017893 of 26 February 2009 concerning the appointment of members of boards of directors and statutory auditors.

Considering that, under Article 2400, last paragraph, of the Italian Civil Code, at the time of the appointment and prior to acceptance of office, the shareholders' meeting must be informed as to posts on the boards of directors and of statutory auditors held by the Statutory Auditors at other companies, candidates with such posts are asked to include the pertinent list in their CVs, with the recommendation that they make sure that these are updated to the day when the shareholders' meeting is actually held.

The lists filed, accompanied by the information mentioned above, are to be made available to the public at the registered office, on the Company's web site, and at Borsa Italiana by 4 March 2013. The holding of the minimum quota necessary for presenting the lists is determined by considering the shares that prove to have been registered in favour of the shareholder as of the date when the lists are filed with the Company. The pertinent certification may be provided even after the filing of lists, provided that it is completed by 4 March 2013. The lists are divided into two sections: the first for candidates to the office of effective auditor, and the second for candidates to the office of alternate auditor. At least the first of the candidates for each section must have been entered in the register of legal

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auditors and must have worked as a legal auditor for a period of not less than three years. Two effective auditors and one alternate auditor are taken from the list that wins the majority of the votes. The other effective auditor and the other alternate auditor are appointed pursuant to Article 13.5 letter b) of the Bylaws, which shall be applied separately to each of the sections into which the other lists are broken down.

Based on the proposal of the Board with respect to item 10 on the agenda, the candidate in first place on the minority shareholders' list who obtains the greatest number of votes is to be proposed for the post of Chairman of the Board of Statutory Auditors.

Where following the above procedure fails to ensure compliance with the law on equality of gender representation for the effective auditors, the quotient of votes to be attributed to each candidate taken from the effective auditor sections of the different lists shall be calculated by dividing the number of votes for each list by the order number of each of these candidates; the candidate of the most represented gender with the lowest quotient among the candidates taken from all the lists shall be replaced by the candidate of the least represented gender (with the highest consecutive number) from the same effective auditor section of the list of the replaced candidate, or, failing this, from the alternate auditor section of the same list as the replaced candidate (who, in this case, takes the place of the alternate auditor he/she has just been replaced by). If this fails to ensure compliance with the law on gender representation, the candidate is replaced by the person appointed by statutory majority at the Shareholders' Meeting, in such a way as to ensure that the composition of the Board of Statutory Auditors

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complies with the law and with the Bylaws. Where candidates from different lists have obtained the same quotient, the candidate from the list from which the greater number of Statutory Auditors has been taken shall be replaced, or, if these numbers of Statutory Auditors are the same, the candidate taken from the list with the fewest votes shall be replaced, or, if the number of votes is the same, the candidate who receives the fewest votes in a dedicated vote by the Shareholders' Meeting shall be replaced.

For the appointment of Statutory Auditors not appointed for any reason according to the above mentioned procedures, the Shareholders' Meeting shall resolve by statutory majority so as to ensure that the composition of the Board of Statutory Auditors complies both with the law and the Bylaws.

The statutory auditors shall hold office for three financial years and, in any event, up to the date of the Shareholders' Meeting that will be called for approving the financial statements of the financial year as at 31 December 2015.

Dear Shareholders,

You are invited to vote for one of the lists presented and announced pursuant to the provisions of the Bylaws.

The Chairman of the Board of Directors

Mr. Lorenzo Bini Smaghi