

**BOARD OF DIRECTORS' REPORT
TO THE BONDHOLDERS' MEETING
SNAM S.P.A. - Issue of €500.000.000 3,375 per cent. NOTES DUE 29 JANUARY 2021,
CODICE ISIN: XS0914294979**

1) Appointment of the Bondholders' Representative – determination of the term of his/her mandate – determination of his/her compensation.

Dear Bondholders,

With regard to the agenda item “*Appointment of the Bondholders' Representative – determination of the term of his/her mandate – determination of his/her compensation*”, to be resolved upon by the unique session of the Bondholders' Meeting of the Note called “Snam S.p.A. - Issue of € 500.000.000 3,375 per cent. Notes due 29 January 2021, Codice ISIN: XS0914294979” to be held at the Company's registered office at 7 Piazza Santa Barbara, San Donato Milanese, at 10:30 a.m. on 8 July 2013 on single call - the Board of Directors of Snam S.p.A. wishes to point out that, pursuant to the applicable provisions of law:

- the Bondholders' Representative shall be appointed by the Bondholders' Meeting (Article 2415, paragraph 1, no. 1 of the Italian Civil Code). Should the Bondholders' Meeting fail to appoint the Bondholders' Representative, the latter shall be appointed by the court, at the request of one or more bondholders or of the Company directors (Article 2417, paragraph 1 of the Italian Civil Code);
- directors, statutory auditors and employees of the Company, as well as any persons to whom the conditions set out in Article 2399 of the Italian Civil Code apply, may not be appointed as the Bondholders' Representative; the appointment of any of the aforementioned persons to the role shall result in the termination of his/her office;
- the Bondholders' Representative may be a non-bondholder and may be either a natural person or a legal entity authorised to provide investment services, or a trust company (Article 2417, paragraph 1 of the Italian Civil Code, first section);
- the Bondholders' Representative shall remain in office for the duration determined by the Bondholders' Meeting, which may not be longer than three financial years; the Bondholders' Representative may be re-elected (Article 2417, paragraph 3 of the Italian Civil Code);
- the Bondholders' Representative shall be entitled to receive compensation, as determined by the Bondholders' Meeting (Article 2417, paragraph 3 of the Italian Civil Code).

The Bondholders' Representative shall protect the common interests of the bondholders in dealings with the Company and with third parties (Article 2418 of the Italian Civil Code) and, more specifically, shall:

- a) execute the resolutions of the Bondholders' Meeting;
- b) attend the drawing of lots for the redemption of bonds;
- c) be entitled to attend Shareholders' Meetings;
- d) be entitled to examine the register of bondholders and the record of Shareholders' Meetings and resolutions passed, and to obtain extracts therefrom (Article 2422, paragraph 2 of the Italian Civil Code);
- e) represent the bondholders in any legal proceedings, including bankruptcy proceedings.

Dear Bondholders,

You are therefore invited to submit proposals, hold discussions and pass resolutions on the appointment of the Bondholders' Representative and the determination of his/her mandate term and compensation.

Please note that this report does not set out any proposed resolutions or candidates, since it is the responsibility of the bondholders to make such proposals. In the proxy form pursuant to Article 135-*undecies* of the Consolidated Law on Finance (TUF), the proxy issuer shall provide voting instructions and the name and a description of the proposed candidate.

For the Board of Directors
The Chief Executive Officer