

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF NOTEHOLDERS WHO SHOULD SEEK THEIR OWN FINANCIAL AND LEGAL ADVICE AS TO MATTERS SUBJECT TO THIS NOTICE.

SNAM S.p.A.

(incorporated as a società per azioni under the laws of the Republic of Italy)

(the Issuer)

NOTICE OF MEETING

**€1,250,000,000 2.375 per cent. Notes due 30 June 2017 (of which €999,915,000 is outstanding)
(XS0914292254) (the 2017 Notes)**

**€1,500,000,000 3.875 per cent. Notes due 19 March 2018 (of which €1,200,046,000 is outstanding)
(XS0829183614) (the March 2018 Notes)**

**€70,000,000 2.625 per cent. Notes due 10 September 2018 (XS0969669463) (the September 2018
Notes)**

**€1,000,000,000 5.000 per cent. Notes due 18 January 2019 (of which €850,050,000 is outstanding)
(XS0806449814) (the January 2019 Notes)**

€500,000,000 1.500 per cent. Notes due 24 April 2019 (XS1061410962) (the April 2019 Notes)

**¥10,000,000,000 1.115 per cent. Notes due 25 October 2019 (XS0985872414) (the October 2019
Notes)**

€1,250,000,000 3.500 per cent. Notes due 13 February 2020 (XS0853682069) (the 2020 Notes)

€500,000,000 3.375 per cent. Notes due 29 January 2021 (XS0914294979) (the 2021 Notes)

€1,000,000,000 5.250 per cent. Notes due 19 September 2022 (XS0829190585) (the 2022 Notes)

€750,000,000 1.500 per cent. Notes due 21 April 2023 (XS1126183760) (the April 2023 Notes)

**€750,000,000 1.375 per cent. Notes due 19 November 2023 (XS1318709497) (the November 2023
Notes)**

€600,000,000 3.250 per cent. Notes due 22 January 2024 (XS1019326641) (the 2024 Notes)

(each a Series and together the Notes)

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the terms and conditions (collectively, the **Conditions**) and the Agency Agreement (as defined below) applicable to the relevant Series of the Notes, a meeting (the **Meeting**) of the Noteholders of all the Series will be held on 30 September 2016 at 10:00 a.m. (Milan time) at the Issuer's registered office in Piazza Santa Barbara no. 7, San Donato Milanese (MI), Italy on a single call (so that the Meeting will be convened only once, with no adjournment in the event that the Meeting is not quorate), for the purpose of considering the matters set out under the heading entitled "*Agenda*" below and, if thought fit, passing the following resolution, which will be proposed to the Meeting as an extraordinary resolution (the **Extraordinary Resolution**), in accordance with the provisions of the Agency Agreements.

The Meeting will be held as a single meeting of the holders of the Notes of all the Series pursuant to Article 21(a)(ii) of the 2012 Agency Agreement, the 2013 Agency Agreement and the 2014 Agency Agreement and Article 22(a)(ii) of the 2015 Agency Agreement (each as defined below).

Unless the context otherwise requires, terms used in this Notice shall have the meanings given to them in the relevant Agency Agreement, in the consent solicitation memorandum dated 30 August 2016 (the Consent Solicitation Memorandum) and, as applicable, in the relevant Conditions.

The 2017 Notes, the March 2018 Notes, the January 2019 Notes, the 2020 Notes, the 2021 Notes and the 2022 Notes are issued under, and have the benefit of, the agency agreement dated 15 June 2012 between BNP Paribas Securities Services, Luxembourg Branch (the **Paying Agent**) and the Issuer (the **2012 Agency Agreement**).

The September 2018 Notes, the April 2019 Notes, the October 2019 Notes, and the 2024 Notes are issued under, and have the benefit of, the amended and restated agency agreement dated 18 July 2013 between the Paying Agent and the Issuer (the **2013 Agency Agreement**).

The April 2023 Notes are issued under, and have the benefit of, the amended and restated agency agreement dated 10 July 2014 between the Paying Agent and the Issuer (the **2014 Agency Agreement**).

The November 2023 Notes are issued under, and have the benefit of, the amended and restated agency agreement dated 23 July 2015 between the Paying Agent and the Issuer (the **2015 Agency Agreement** and, together with the 2012 Agency Agreement, the 2013 Agency Agreement and the 2014 Agency Agreement, the **Agency Agreements**).

The Issuer is soliciting the Noteholders' consent (the **Consent Solicitation**) in connection with the Proposals (as defined below), as further described in the Consent Solicitation Memorandum.

The agenda will be as follows:

AGENDA

To approve an Extraordinary Resolution in accordance with the provisions of the Conditions and the Agency Agreements applicable to each Series of Notes, in order for Noteholders to give their consent to the proposals to:

- (i) approve the Transaction (as defined in the Consent Solicitation Memorandum) generally and for the purposes of Condition 10.1(f)(ii) of the 2017 Notes, the March 2018 Notes, the January 2019 Notes, the 2020 Notes, the 2021 Notes and the 2022 Notes, and of Condition 9.1(f)(ii) of the September 2018 Notes, the April 2019 Notes, the October 2019 Notes, the April 2023 Notes, the November 2023 Notes and the 2024 Notes and, accordingly, acknowledge that no Event of Default will arise as a result of or in connection with the Transaction by virtue of the same being approved in advance; and
- (ii) approve the Transaction for the purposes of Articles 2503-*bis* and 2506-*ter*, paragraph 5, of the Italian Civil Code (which Articles provides that if a Noteholders' meeting has approved the Demerger (as defined below), Noteholders will not be entitled to object to the Demerger)

and, accordingly, to propose to the Meeting the following:

EXTRAORDINARY RESOLUTION

“THAT this Meeting of the holders (the **Noteholders**) of the outstanding (i) €1,250,000,000 2.375 per cent. Notes due 30 June 2017 (XS0914292254) (the **2017 Notes**), (ii) €1,500,000,000 3.875 per cent. Notes due 19 March 2018 (XS0829183614) (the **March 2018 Notes**), (iii) €70,000,000 2.625 per cent. Notes due 10 September 2018 (XS0969669463) (the **September 2018 Notes**), (iv) €1,000,000,000 5.000 per cent. Notes due 18 January 2019 (XS0806449814) (the **January 2019 Notes**), (v) €500,000,000 1.500 per cent. Notes due 24 April 2019 (XS1061410962) (the **April 2019 Notes**), (vi) ¥10,000,000,000 1.115 per cent. Notes due 25 October 2019 (XS0985872414) (the **October 2019 Notes**), (vii) €1,250,000,000 3.500 per cent. Notes due 13 February 2020 (XS0853682069) (the **2020 Notes**), (viii) €500,000,000 3.375 per cent. Notes due 29 January 2021 (XS0914294979) (the **2021 Notes**), (ix) €1,000,000,000 5.250 per cent. Notes due 19 September 2022 (XS0829190585) (the **2022 Notes**), (x) €750,000,000 1.500 per cent. Notes due 21 April 2023 (XS1126183760) (the **April 2023 Notes**), (xi) €750,000,000 1.375 per cent. Notes due 19 November 2023 (XS1318709497) (the **November 2023 Notes**) and (xii) €600,000,000 3.250 per cent. Notes due 22 January 2024 (XS1019326641) (the **2024 Notes** and, together with the 2017 Notes, the March 2018 Notes, the September 2018 Notes, the January 2019 Notes, the April 2019 Notes, the October 2019 Notes, the

2020 Notes, the 2021 Notes, the 2022 Notes, the April 2023 Notes and the November 2023 Notes, the **Notes**), all issued by Snam S.p.A. (the **Issuer**) HEREBY RESOLVES AS FOLLOWS:

- 1) to approve the Transaction (as defined in the Consent Solicitation Memorandum dated 30 August 2016) generally and for the purposes of Condition 10.1(f)(ii) of the 2017 Notes, the March 2018 Notes, the January 2019 Notes, the 2020 Notes, the 2021 Notes and the 2022 Notes, and of Condition 9.1(f)(ii) of the September 2018 Notes, the April 2019 Notes, the October 2019 Notes, the April 2023 Notes, the November 2023 Notes and the 2024 Notes and, accordingly, acknowledge that no Event of Default will arise as a result of or in connection with the Transaction by virtue of the same being approved in advance; and
- 2) to approve the Transaction for the purposes of Articles 2503-*bis* and 2506-*ter*, paragraph 5, of the Italian Civil Code; and
- 3) to acknowledge that the Issuer reserves the right, at its sole discretion, to withdraw any of the Proposals, notwithstanding the passing of the Extraordinary Resolution, before giving effect to the Extraordinary Resolution,

granting the Issuer, all such powers, with full power of substitution, to execute any and all documents and to take any and all actions required by law deemed necessary by either of them in connection with any filing or registration required in connection with this Extraordinary Resolution or, subject to the applicable laws, the Transaction and, generally, to do anything else that should become necessary for the complete implementation of this Extraordinary Resolution or, subject to the applicable laws, the Transaction, with any and all powers and authorities necessary to effect the same.”.

PURPOSE OF THE PROPOSALS

The Issuer is inviting Noteholders of each Series to give their consent to the proposals to:

- (i) approve the Transaction for the purposes of Condition 10.1(f)(ii) of the 2017 Notes, the March 2018 Notes, the January 2019 Notes, the 2020 Notes, the 2021 Notes and the 2022 Notes and of Condition 9.1(f)(ii) of the September 2018 Notes, the April 2019 Notes, the October 2019 Notes, the April 2023 Notes, the November 2023 Notes and the 2024 Notes and, accordingly, acknowledge that no Event of Default will arise as a result of or in connection with the Transaction by virtue of the same being approved in advance; and,
- (ii) approve the Transaction for the purposes of Articles 2503-*bis* and 2506-*ter*, paragraph 5, of the Italian Civil Code (which Articles provides that if a Noteholders’ meeting has approved the Demerger, Noteholders will not be entitled to object to the Demerger).

The Transaction will be conditional upon, *inter alia*, Noteholders’ approval of the Proposals. See “*Background – Conditions to the consummation of the Transaction*”.

The purpose of the Transaction is primarily commercial/strategic, and aims to separate the Group’s gas distribution activities (carried out by the Italgas Group) in Italy from its gas transportation, dispatching, regasification and storage activities in Italy and abroad (see “*Background to the Proposals – The Transaction*”).

The Transaction rests on the rationale that the gas distribution activities comprise very specific characteristics that are different from the rest of the Group’s activities in terms of operational organisation, competitive context, regulation and investment requirements.

The consummation of the Transaction will result in the Group being separated into the Post-Transaction Snam Group and the ITG Holding Group, which will focus on their respective businesses and with objectives that can be clearly identified and recognised by the market.

As a result of the Transaction, the Post-Transaction Snam Group will be able to focus on its current transportation, storage and regasification activities in Italy and abroad, with a view to maximising the value of its existing asset portfolio and exploiting new development opportunities.

As an additional opportunity, the Post-Transaction Snam Group will retain a 13.50% equity interest in ITG Holding which will enable it to benefit from the potential future growth and value creation of ITG Holding Group.

In connection with the Transaction, Snam's Chief Executive Officer Mr. Marco Alverà commented that *"in a constantly evolving market, local gas distribution activities now have different characteristics and needs than those of gas transportation, storage and LNG. The demerger of Italgas from Snam will significantly enhance the role of both companies in their respective businesses: Snam will be able to consolidate its leadership by contributing to the integration of the gas markets in Europe, and Italgas will seize new development opportunities related to the local tender processes"*.

For additional information on the effects of the Transaction, see *"Background – Transaction Benefits for Snam"* and *"Background – Effect of the Transaction on the Notes"*.

BACKGROUND

The Transaction

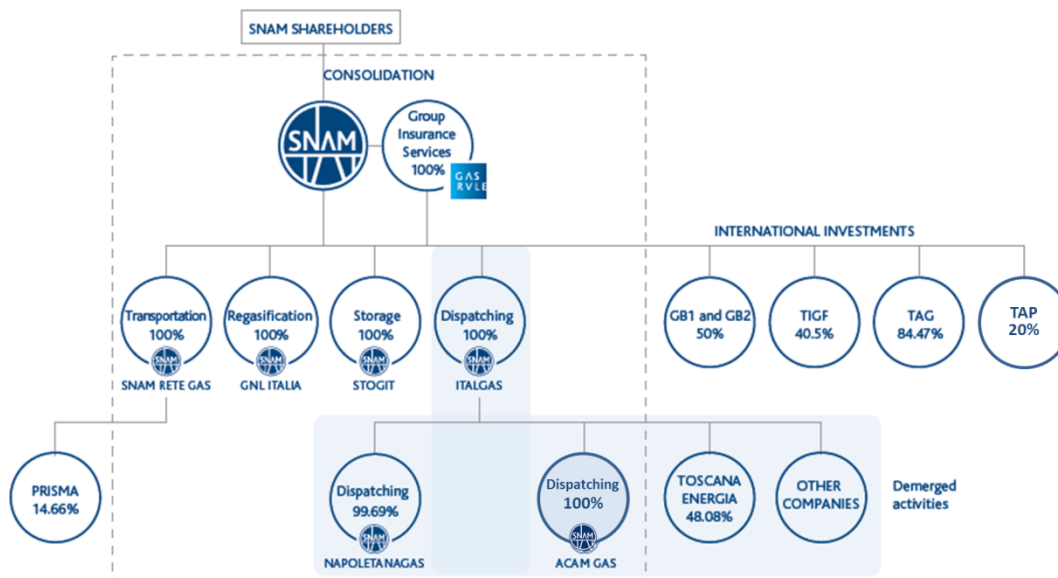
The Transaction is mainly aimed to separate Snam Group's gas distribution activities in Italy (carried out by the Italgas Group) from its gas transportation, dispatching, regasification and storage activities in Italy and abroad.

Within this context, the Transaction has been structured in three different steps, a partial and proportional Demerger, a Transfer and a Sale, which will be completed simultaneously and will ensure fulfilment of three main objectives (i) separating the Italgas Group from the Snam Group (resulting from the Demerger), (ii) enabling Snam to hold, post-Demerger, an equity investment of 13.50% in ITG Holding (mainly resulting from the Transfer), and (iii) providing ITG Holding with an adequate level of financial debt, taking into account its business, risk and cash flow generation profile. Below is a description of the three steps which will occur in a unitary and substantially simultaneously matter, namely:

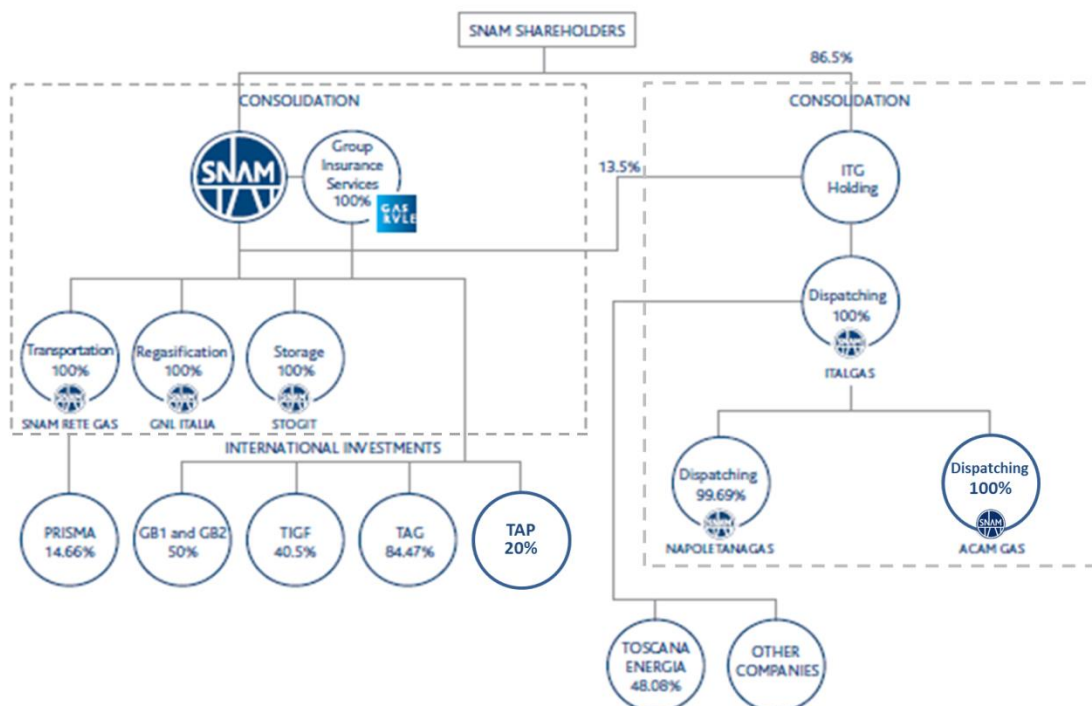
- a) the transfer in kind by Snam to ITG Holding of an equity investment of 8.23% in the share capital of Italgas (the **Transfer**) in exchange for the allocation to Snam of 108,957,843 newly issued shares of ITG Holding, in order to enable Snam to hold, following the Demerger, an equity investment of 13.50% in ITG Holding (0.03% deriving from the treasury shares held by Snam);
- b) the sale by Snam to ITG Holding of 98,054,833 shares of Italgas, equal to 38.87% of the share capital of Italgas (the **Sale**), for a price of Euro 1,503 million, to be settled through the repayment of a vendor loan of an equal amount extended by Snam to ITG Holding, in order to generate an adequate level of financial debt for ITG Holding, taking into account its business, risk and cash flow generation profile; and
- c) the partial and proportional demerger of Snam to ITG Holding, with the allocation to ITG Holding of an equity investment equal to the 52.90% held by Snam in Italgas, and consequent allocation to Snam shareholders of the remaining 86.50% of ITG Holding's share capital (the **Demerger** and, together with the **Transfer** and the **Sale**, the **Transaction**).

The following charts illustrate in simplified terms the current structure of the Group and the expected structure of the Snam Group and the ITG Holding Group as a result of the occurrence of the Transaction. In particular, as a result of the proposed Transaction, Snam's shareholders will receive ITG Holding's shares in proportion to their stakes in Snam. Snam's shareholders will receive 86.50% of ITG Holding's shares, while Snam itself will hold the remaining 13.50%.

Pre-Transaction Structure



Expected post-Transaction Structure



Transaction benefits for Snam

a) The separation from Italgas will strengthen the Issuer by enhancing the value of Snam's existing assets in Italy and the European Union. The key benefits of the Transaction, amongst other things, are as follows:

- Snam would be able to focus on the domestic and international strategy in its core businesses;
- Snam would gain additional flexibility to support the company's strategy and objectives;
- Snam's business risk profile is expected to remain substantially unchanged with large part of the

business portfolio being represented by proprietary assets and Italian regulated businesses;

- Snam would retain a strategic minority stake in ITG Holding (13.50%) to capture future value from the expected consolidation process in the gas distribution sector in Italy.
- Snam's ownership structure will not change as an effect of the Transaction.

b) With regard to 2015 financials, on a *pro forma* basis to give effect to the consummation of the Transaction:

- EBITDA margin would move from 77%¹ (historical data) to 80% (*pro forma* data);
- Snam's 2015 year-end net indebtedness would decline by approximately €3.5 billion as a result of the allocation of an additional €1.5 billion of indebtedness to Italgas in the context of the Transaction and the deconsolidation of Italgas following the Demerger, bringing leverage² from 52% (on a historical basis) to 49% (on a *pro forma* basis), further strengthening Snam's sound balance sheet;
- Snam rating will be preserved at current levels (see below "*Views of Rating Agencies*").

Views of Rating Agencies

Fitch, Moody's and Standard & Poor's have confirmed that the Transaction is not expected to result in any change to the current credit ratings of the Issuer. The relevant press releases can be found at:

<https://www.fitchratings.com/site/pr/1008155>;

https://www.moody's.com/research/Moodys-affirms-Snams-Baa1-rating-stable-outlook--PR_351301;

and

<https://www.standardandpoors.com>

The Issuer and the Solicitation Agents do not accept responsibility for the contents of these press releases or for any other information relating to the Issuer or the Notes published by Fitch, Moody's, Standard & Poor's or any other credit rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Key financial statements' figures

The Transaction will result in the deconsolidation of the Italgas Group net assets from the Group's consolidated financial statements. The table below presents certain key consolidated financial data of the Snam Group for the year ended on, and as of, 31 December 2015 (i) on a historical basis and (ii) on a *pro forma* basis to give effect to the consummation of the Transaction.

¹ Excluding the IFRIC 12 adjustment pertaining to the distribution business.

² Calculated as net debt / regulatory asset base of Post-Transaction Snam Group (including equity value of associates)

	Year ended on, and as of, 31 December 2015	
	Historical basis	Pro forma basis
	<i>(audited)</i>	<i>(unaudited)</i>
	<i>(in million of Euro)</i>	
Revenue.....	3,649 ⁽¹⁾	2,576
EBITDA.....	2,799	2,052
Net profit.....	1,238	971
Cash and cash equivalents.....	17	1,708
Total assets.....	24,880	21,251
Net financial debt.....	(13,779)	(10,317)

- (1) Excluding revenues from construction and upgrading of the distribution infrastructure, entered according to IFRIC 12 – Service Concession Arrangements, for € 321 million.

Information included in the table above has been extracted from the information document concerning the partial and proportional demerger of Snam to ITG Holding, prepared by Snam in accordance with article 70, paragraph 6 of the the regulation adopted by CONSOB by Resolution 11971/1999 (as amended) (the **Issuers' Regulation**) and published on 5 July 2016 (the **Information Document**), which is available on the Issuer's website www.snam.it (see also "*Documents Available for Consultation*"). The unaudited *pro forma* consolidated financial information included in the Consent Solicitation Memorandum has been examined by the auditors of the Issuer and their report is included as an annex to the Information Document.

ITG Holding will repay existing intercompany loans with Snam and the vendor loan extended by Snam as a consideration of the Sale, resulting in a positive cash flow for Snam as of 31 December 2015 of approximately Euro 3,045 million on a *pro forma* basis, net of the Euro 424 million of loans provided to Snam by the European Investment Bank which are planned to be assumed by ITG Holding.

With respect to the separate financial statements, as a result of the sole Demerger, Snam's equity will be reduced by approximately Euro 1,569 million. The table below presents a breakdown of Snam's equity as of 31 December 2015, as well as Snam's and ITG Holding's equity on a *pro forma* basis to give effect to the Transaction.

	Snam pre- Demerger	ITG Holding	Snam post- Demerger
		post- Demerger (1)	
	<i>(in million of Euro)</i>		
Share capital.....	3,697	961	2,736
Legal reserve.....	739	192	547
Share premium reserve.....	1,603	416	1,187
Other reserves.....	(29)	—	(29)
Net profit 2015.....	825	—	825
Total.....	6,835	1,569	5,266

- (1) The items of shareholders' equity awarded to ITG Holding post-Demerger and allocated to the share capital and legal reserve have been calculated on a proportional basis, i.e. ratio of the demerged assets and liabilities to Snam's shareholders' equity at 31 December 2015, net of the effects of allocating 2015 income, as decided by Snam's shareholders' meeting of 27 April 2016. The amount allocated to the share premium reserve was calculated on top of the total value of the demerged assets and liabilities.

As of the joint and several obligations arising from the Demerger for Snam and ITG Holding:

- pursuant to Article 2506-*quater*, paragraph 3 of the Italian Civil Code, as of the Demerger effective date, each of Snam and ITG Holding will be jointly and severally liable – within the limits of the amount of the shareholders' equity assigned to, or still held by, each of them – for existing debts as at the Demerger date not repaid by the debtor company;
- the joint and several liability pursuant to Article 2506-*quater*, paragraph 3 of the Italian Civil Code is subordinated insofar as it arises only if liabilities are not repaid when due by the relevant debtor company. Nevertheless, this rule, as an exception to the provisions of the Italian Civil Code, does not apply with reference to certain specific liabilities.

Description of the Group's main assets and liabilities to be transferred to ITG Holding's Group

The Transaction will result in Snam transferring Italgas' entire share capital to ITG Holding through the Transfer, the Sale and the Demerger (see "*Background to the Proposals – The Transaction*").

The Italgas Group, including through its consolidated subsidiaries Napoletanagas and ACAM gas, manages a distribution network of approximately 57,000 km and has a gas distribution concession in 1,472 municipalities, of which 1,401 are operational, with 6.526 million active meters at redelivery points.

The Italgas Group is the leading distributor of natural gas in urban areas by number of Redelivery Points in Italy.

Italgas also has non-controlling interests in the following natural gas distribution firms, for which it acts as the primary industrial shareholder:

Toscana Energia S.p.A.

Toscana Energia S.p.A. is 51.25% owned by public bodies, including a 20.6% interest held by the municipality of Florence, and 48.08% owned by Italgas;

Umbria Distribuzione Gas S.p.A.

Umbria Distribuzione Gas S.p.A. is 55% owned by ASM Terni S.p.A. (40%) and Acea S.p.A. (15%), and 45% owned by Italgas;

Metano S. Angelo Lodigiano S.p.A.

Metano S. Angelo Lodigiano S.p.A. is 50% owned by the municipality of S. Angelo Lodigiano and 50% owned by Italgas.

Relations between the Post-Demerger Snam Group and the ITG Holding Group

As a result of the Transaction, Snam will hold an equity investment of 13.50% in ITG Holding.

As provided for in the memorandum of understanding entered into on 28 June 2016 among Snam, CDP Reti S.p.A. and CDP Gas S.r.l., in the context of the Transaction Snam, CDP Reti S.p.A. and CDP Gas S.r.l. will enter into a shareholders' agreement (the **Shareholders' Agreement**), relating to their equity investments which will be held in ITG Holding, equal to 13.50%, 25.08% and 0.97%, respectively. The Shareholders' Agreement is structured in order to be consistent (i) with the role of Cassa Depositi e Prestiti S.p.A. as reference shareholder as currently held by Cassa Depositi e Prestiti S.p.A. in Snam and (ii) with Snam's interest in maintaining an essentially financial interest in ITG Holding.

Services

As of the date of this Notice, Snam and Snam Rete Gas S.p.A. provide certain services to Snam Group's subsidiaries, including Italgas which are expected to be terminated as of the consummation of the Transaction; however, certain services may be continued through a period of phase-out. The activities carried out by Snam for the ITG Holding Group companies will be valued on the basis of the costs incurred by Snam.

Conditions to the consummation of the Transaction

In addition to the conditions set forth under Italian law, the consummation of the Transaction is conditional upon:

- (i) the issuance of Borsa Italiana's order admitting ITG Holding's shares to trading on the MTA (*Mercato Telematico Azionario*) organized and managed by Borsa Italiana;
- (ii) the issuance of the judgment of equivalence by CONSOB (pursuant to article 57, paragraph 1, letter d) of the Issuers' Regulation) in relation to the Information Document, supplemented pursuant to said article 57; and
- (iii) Noteholders' approval of the Proposals.

Upon the consummation of the Transaction, the shares of ITG Holding will be admitted to trading on the MTA while Snam shares will continue to be listed on the MTA.

It is expected that, subject to the satisfaction of the conditions set out above, the Transaction will be effective before 31 December 2016.

Noteholders should note that at any time ITG Holding listing process could be interrupted or suspended, if the conditions to obtain such listing are no longer deemed to be satisfied.

Effect of the Transaction on the Notes

No amendment to the Conditions of the Notes is made as a consequence of the approval of the Proposals by Noteholders.

Noteholders rejecting the Proposals

The consummation of the Transaction without prior Noteholders' approval will potentially result in the occurrence of the Event of Default set forth in:

- (i) Condition 10.1(f) of the 2017 Notes, the March 2018 Notes, the January 2019 Notes, the 2020 Notes, the 2021 Notes and the 2022 Notes; and
- (ii) Condition 9.1(f) of the September 2018 Notes, the April 2019 Notes, the October 2019 Notes, the April 2023 Notes, the November 2023 Notes and the 2024 Notes.

In addition, if the Meeting does not approve the Proposals, each Noteholder could object to the Demerger according to applicable Italian laws.

Noteholders approving the Proposals

The approval of the Proposals will result in (i) Noteholders (whether or not voting and whether voting in favour of the Extraordinary Resolution or against the Extraordinary Resolution) not being entitled to object to the Demerger in accordance with applicable Italian laws and (ii) the separation of Italgas from the Group not constituting an Event of Default under the Conditions of the Notes.

CONSENT SOLICITATION

The Consent Solicitation Memorandum and any other documents or materials relating to the Consent Solicitation are directed at persons to whom it is lawful to send such documents or materials or to solicit their consent in the Consent Solicitation under applicable laws, and which are permitted under the laws of their jurisdiction of residence and domicile to participate in the Consent Solicitation.

Subject to the restrictions described in the previous paragraph, Noteholders may obtain, from the date of this Notice, a copy of the Consent Solicitation Memorandum from the Tabulation Agent, the contact details for which are set out below. Noteholders are urged to read the Consent Solicitation Memorandum prior to participating in the Consent Solicitation.

Subject to the terms and conditions of the Consent Solicitation (including the satisfaction of all relevant condition(s)), each Noteholder (that is not an Ineligible Noteholder, as defined in the Consent Solicitation Memorandum) from whom a valid Consent Instruction (as defined below) in favour of the Extraordinary Resolution is received by the Tabulation Agent by the Early Voting Deadline specified in the Consent Solicitation Memorandum (and not validly revoked) will, subject to satisfaction of the applicable condition(s), be eligible to receive payment of an amount equal to 0.25 per cent. of the principal amount of the Notes that are the subject of such Consent Instruction (the **Consent Fee**), all as more fully described in the Consent Solicitation Memorandum.

The Consent Fee will be paid in two equal instalments, on the First Payment Date, subject to satisfaction of the First Payment Condition, and the Final Payment Date, subject to satisfaction of the Final Payment Condition.

CERTAIN RESTRICTIONS

The Notes have not been and will not be registered under the United States Securities Act of 1933, as

amended or the securities laws of any state or other jurisdiction of the United States. The Notes may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, "U.S. persons", except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.

Terms used in this paragraph have the meaning given to them by Regulation S under the said Securities Act.

GENERAL

Copies of the following documents will be available for inspection by Noteholders, (a) on and from the date of this Notice up to and including the date of the Meeting, on the website of the Issuer at www.snam.it, at the registered office of the Issuer during normal business hours on any week day (public holidays excluded) and from the Tabulation Agent, the contact details of which are set out at the end of this Notice and (b) up to 15 minutes before the Meeting and during the Meeting:

- this Notice;
- the explanatory note dated 30 August 2016 which describes the Proposals;
- the Agency Agreements;
- the Base Prospectuses;
- the Information Document concerning the partial and proportional demerger of Snam to ITG Holding, prepared by Snam and published on 5 July 2016 and the annexes thereto; and
- the press release entitled "*Snam's Board of Directors approves the separation of the gas distribution business*" published by the Issuer on 29 June 2016.

The Consent Solicitation Memorandum will be available for inspection by Noteholders (a) on and from the date of this Notice up to and including the date of the Meeting, at the registered office of the Issuer during normal business hours on any week day (public holidays excluded) and from the Tabulation Agent, the contact details of which are set out at the end of this Notice and (b) up to 15 minutes before the Meeting and during the Meeting.

The attention of Noteholders is particularly drawn to the procedures for voting, quorum and other requirements for the passing of the Extraordinary Resolution at the Meeting, which are set out in "*Voting and Quorum*" below. Having regard to such requirements, Noteholders are strongly urged either to attend the Meeting or to take steps to be represented at the Meeting as soon as possible.

RIGHT TO ASK QUESTIONS

Pursuant to Article 127-ter of the Italian Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**), Noteholders entitled to vote at the Meeting may submit questions about subjects on the agenda before the Meeting, to arrive at the Company by 27 September 2016; the Issuer does not ensure that it will provide replies to questions submitted after such date. Questions may be sent by mail to the following address:

Snam S.p.A.

Legal, Corporate and Compliance Affairs Department (Direzione Affari Legali, Societari e Compliance)
(September 2016 Noteholders' Meeting questions)

Piazza Santa Barbara, 7

20097 San Donato Milanese (MI) – Italy

or by e-mail to segreteria@snam.it. Noteholders asking questions must provide details of their identity and documentation confirming their entitlement to exercise voting rights in accordance with the Conditions. Replies to the questions received by the deadline set out above will be provided, at the latest, during the Meeting. The Issuer will provide a single response to questions having the same

content. No answer is due when the information requested is already available in the FAQ section of the Company website www.snam.it.

RIGHT TO ADD AGENDA ITEMS AND TO SUBMIT NEW RESOLUTION PROPOSALS

Pursuant to Article 126-*bis* of the Financial Services Act, such Noteholders representing, individually or collectively, at least 2.5% of the aggregate principal amount of the Notes of all the Series taken together for the time being outstanding may request, within ten days of publication of this Notice (i.e. 9 September 2016), to add items to the agenda of the Meeting, indicating in that request the further items proposed, or may present proposals to be resolved upon on items already on the agenda. Questions must be submitted in writing to the registered office of the Issuer by recorded delivery or by certified e-mail to snam.assemblea@pec.snam.it, together with a report which provides the reasons for the items to be added to the Meeting's agenda or of the reasons for further proposals to be resolved upon on items already on the agenda. In any event, all parties entitled to vote may individually present proposals to be resolved upon at the Meeting. Further information is available in the appropriate section of the Issuer's website www.snam.it.

VOTING AND QUORUM

*Only those Noteholders who hold Notes, as at the close of business of the seventh Luxembourg Stock Exchange Day prior to the date of the Meeting, as certified by the Paying Agent on the basis of the relevant book-entries in Euroclear Bank S.A./N.V. (**Euroclear**) or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), are entitled to participate in, and vote at, the Meeting. Persons who become Noteholders thereafter will not be entitled to participate in, and vote at, the Meeting. For the purposes of this Notice, **Luxembourg Stock Exchange Day** means a day on which the Luxembourg Stock Exchange is open for business.*

Admission of Noteholders or their representatives to the Meeting and the right to vote at such Meeting is subject to the delivery to the Issuer, by 5.00 p.m. (Milan time) on the third Luxembourg Stock Exchange Day prior to the date fixed for the Meeting, of a certificate issued by the Paying Agent confirming that the relevant Noteholder or its representative is entitled to vote at the Meeting on the basis of the relevant book-entries in Euroclear or Clearstream, Luxembourg, as at the end of the seventh Luxembourg Stock Exchange Day prior to the date of such Meeting. However, in the event that the Issuer does not receive such certification by 5.00 p.m. (Milan time) on the third Luxembourg Stock Exchange Day prior to the date fixed for the Meeting, the Noteholder may attend and vote at the Meeting, provided that the certification is received by the Issuer before the beginning of the Meeting. The By-laws of the Issuer do not provide for voting through correspondence or by electronic means.

The Meeting will be held as a single call meeting pursuant to the By-laws of the Issuer and Article 2369, paragraph 1 of the Italian Civil Code. Accordingly, if a quorum is not achieved in connection with the Meeting, the Meeting will not be adjourned and no second call/adjourned meeting will be held.

*Noteholders who have submitted and not revoked a valid Consent Instruction in respect of the Extraordinary Resolution by 5.00 p.m. (Milan time) on 21 September 2016 (the **Expiration Deadline**) will be deemed to have given instructions for the appointment of Georgeson S.r.l. (or its representative) by the Paying Agent as their proxy to vote in favour of or against the Extraordinary Resolution at the Meeting and need to take no further action to be represented at the Meeting.*

*Noteholders who have not submitted or have submitted and subsequently revoked a Consent Instruction in respect of the Extraordinary Resolution should take note of the provisions set out below detailing how such Noteholders can attend or take steps to be represented at the Meeting. **Consent Instruction** means the electronic voting instruction submitted by the Direct Participants through the relevant Clearing System to the Tabulation Agent, instructing the Paying Agent to appoint Georgeson S.r.l. (or its representative) as its proxy to attend the Meeting on its behalf and stating that the vote(s) attributable to the Notes that are the subject of such electronic voting instruction should be cast in a particular way in relation to the Extraordinary Resolution (either in favour of or against the Extraordinary Resolution) and specifying whether or not such Notes are beneficially owned by an Ineligible Noteholder.*

*Each person (a **beneficial owner**) who is the owner of a particular principal amount of the Notes*

through Euroclear, Clearstream, Luxembourg or a person who is shown in the records of Euroclear or Clearstream, Luxembourg as a holder of the Notes (a **Direct Participant**), should note that a beneficial owner will only be entitled to attend and vote at the Meeting in accordance with the procedures set out below and where a beneficial owner is not a Direct Participant it will need to make the necessary arrangements, either directly or with the intermediary through which it holds its Notes, for the Direct Participant to complete these procedures on its behalf.

- (1) The provisions governing the convening and holding of the Meeting set out in the Agency Agreements are subject to the provisions of the relevant Conditions, to the extent applicable, to the Issuer's by-laws (*statuto*) in force from time to time and in any event, to mandatory provisions of Italian law, including (without limitation) those set out in the Financial Services Act.
- (2) All of the Notes are represented by global Notes each held by a common depository for Euroclear and/or Clearstream, Luxembourg.
- (3) A Noteholder wishing to attend and vote at the Meeting in person must produce at the Meeting a valid Voting Certificate relating to the Notes in respect of which it wishes to vote. A Noteholder may obtain a Voting Certificate in accordance with the procedures set out in paragraph (5) below.
- (4) A Noteholder not wishing to attend and vote at the Meeting in person may (a) deliver its valid Voting Certificate(s) to the person whom it wishes to attend on its behalf (a form of proxy for any such person attending on the behalf of a Noteholder is available from the Paying Agent) or (b) the Noteholder may give a Block Voting Instruction or Voting Instruction (as applicable) (by giving voting and blocking instructions to Euroclear or Clearstream, Luxembourg in accordance with the procedures of Euroclear or Clearstream, Luxembourg, as applicable) instructing the Paying Agent to appoint a proxy to attend and vote at the Meeting in accordance with that Noteholder instructions.
- (5) Any such Voting Certificate, Voting Instruction or Block Voting Instruction (as applicable) shall be issued by the Paying Agent or, in the case of the Voting Certificate, the intermediary with which the account of the Noteholder is held, and the form of such Voting Certificate or Block Voting Instruction or Voting Instruction (as applicable) is available from the Paying Agent, whose contact details are set out below, or the intermediary with which the account of the Noteholder is held.
- (6) A Noteholder must request the relevant clearing system to block the Notes in its account and to hold the same to the order or under the control of the Paying Agent not later than two Luxembourg Stock Exchange Days before the time appointed for holding the Meeting in order to obtain Voting Certificates or give Block Voting Instructions or Voting Instructions (as applicable) in respect of such Meeting.
- (7) In the case of Consent Instructions such blocking instructions are part of the electronic instructions that must be given and as part of such electronic instructions each Noteholder must also specify whether or not such Notes are beneficially owned by an Ineligible Noteholder. Notes so blocked will not be released until the earlier of:
 - (i) the conclusion of the Meeting; and
 - (ii) (A) in respect of Voting Certificate(s), the surrender to the Principal Paying Agent of such Voting Certificate(s); or
(B) in respect of Consent Instructions, not less than 48 Hours before the time for which the Meeting is convened, the notification in writing of any revocation of a Direct Participant's previous instructions to the Paying Agent and the same then being notified in writing by the Paying Agent to the Issuer at least 48 hours before the time appointed for holding the Meeting and such Notes ceasing in accordance with the procedures of the relevant Clearing System and with the agreement of the Paying Agent to be held to its order or under its control.

- (8) The quorum required for the Meeting to be validly held is one or more persons present holding Notes in definitive form, or voting certificates or being proxies and holding or representing at least one fifth of the aggregate principal amount of the Notes of all the Series taken together for the time being outstanding.
- (9) Every question submitted to the Meeting shall be decided in the first instance by a show of hands. A poll may be demanded (before or on the declaration of the result of the show of hands) by the Chairman, the Issuer, the Noteholders' Representative (if any) or any Eligible Person (whatever the amount of the Notes so held or represented by him).
- (10) At the Meeting:
- (a) on a show of hands every Eligible Person present shall have one vote; and
 - (b) on a poll every Eligible Person present shall have one vote;
- in each case in respect of each €1.00 in nominal amount of the Notes held or represented by such Eligible Person. Without prejudice to the obligations of the proxies named in any Block Voting Instruction or Voting Instruction (as applicable), any Eligible Person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.
- (11) For the purposes of the calculations to be made under items 8 and 12 herein, the principal amount of the October 2019 Notes shall be the equivalent in Euro at the spot rate of a bank nominated by the Paying Agent for the conversion of Yen into Euro on the seventh dealing day prior to the day of the Meeting.
- (12) The Extraordinary Resolution is passed if one or more persons present holding Notes in definitive form, or voting certificates or being proxies and holding or representing not less than three fourths of the aggregate principal amount of the Notes of all Series taken together outstanding represented at the Meeting vote in favour of it.

If passed, the Extraordinary Resolution shall be binding on all holders of the Notes of any Series, whether present or not at the Meeting at which it is passed, whether or not voting and whether voting in favour of or against the Extraordinary Resolution.

INFORMATION REGARDING THE ISSUER'S SHARE CAPITAL AND THE NOTES

The share capital of the Issuer is EUR 3,696,851,994, represented by No. 3,500,638,294 shares without par value.

The outstanding principal amount of each Series of Notes is as follows:

- 2017 Notes: €999,915,000;
- March 2018 Notes: €1,200,046,000;
- September 2018 Notes: €70,000,000;
- January 2019 Notes: €850,050,000;
- April 2019 Notes: €500,000,000;
- October 2019 Notes: ¥10,000,000,000;
- 2020 Notes: €1,250,000,000;
- 2021 Notes: €500,000,000;
- 2022 Notes: €1,000,000,000;
- April 2023 Notes: €750,000,000;
- November 2023 Notes: €750,000,000; and
- 2024 Notes: €600,000,000.

For any information in relation to the Meeting, please consult the Issuer's website www.snam.it, or contact the Issuer by freephone at +39 800 360 243 (valid only for calls from Italy), telephone at +39 0237000890 e-mail at segreteria@snam.it.

This Notice is given by Snam S.p.A.

Noteholders should contact the following for further information:

SOLICITATION AGENTS

BNP Paribas

10 Harewood Avenue
London NW1 6AA
United Kingdom

Telephone: +44 207 595 8668
Attention: Liability Management Group
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Goldman Sachs International

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United Kingdom

Telephone: +44 20 7774 9862
Attention: Liability Management Group
Email: liabilitymanagement.eu@gs.com

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London E14 5LB
United Kingdom

Telephone: +44 207 986 8969
Attention: Liability Management Group
Email: liabilitymanagement.europe@citi.com

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Email: EMEA_LM@jpmorgan.com

Société Générale

10 Bishops Square
London E1 6EG
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Email: liability.management@sgcib.com

TABULATION AGENT

Citibank, N.A., London Branch

13th Floor, Citigroup Centre
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United Kingdom

Telephone: +44 20 7508 3867
Attention: Exchange Team – Agency and Trust
Email: Exchange.gats@citi.com
Website:
<https://debtportal.issuerservices.citigroup.com>

Dated: 30 August 2016

SNAM S.p.A.

PAYING AGENT

BNP Paribas Securities Services,

Luxembourg Branch

CTS

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Grand Duchy of Luxembourg
Telephone: +352 2696 2389
Attention: Lux OST Domiciliées
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