

SNAM RETE GAS BY-LAWS

Title I - ESTABLISHMENT AND CORPORATE PURPOSE

ARTICLE 1

1.1 The Company “**Snam Rete Gas S.p.A.**” or abbreviated as “**Snam S.p.A.**” is governed by these By-Laws. The name may be written in any font in either upper or lower case letters.

ARTICLE 2

2.1 The corporate purpose is to exercise, directly or indirectly, in Italy and abroad, including through direct or indirect participation in companies, organizations or businesses, regulated activities in the field of transport, dispatch, distribution, regasification, and storage of hydrocarbons, and any other activity instrumental, ancillary or complementary to one or more of the activities mentioned above, including the production of hydrocarbons related to the storage thereof, storage of other gases, energy measurement, and management of organized gas markets, all in compliance with relevant concessions pursuant to law provisions.

2.2 In pursuance of the corporate purpose and instrumental thereto:

- the Company may take all actions necessary or appropriate for the achievement of the corporate purpose, by way of example, industrial, commercial, property and financial operations, as assets or liabilities, and any activity that is connected to the achievement of the corporate purpose, including, among others, technical and scientific research - the acquisition of technical patents related to activities developed, the study, design, construction, acquisition, management and operation of complex systems of transportation, transportation infrastructure, information technology and telecommunications, with the exception of the collection of public savings and the performance of activities regulated by law on financial intermediation;
- the Company shall undertake the technical, industrial and financial coordination of subsidiaries and the provision of the appropriate financial assistance and services by those required;
- the Company may engage in activities connected with the protection and restoration of the environment and land conservation;
- in its operations the Company will treat shippers equally, act openly and impartially in transporting and dispatching, and operate in compliance with the applicable regulations and provisions of the Law. In particular, the Company, in accordance with the principles of cost-effectiveness, profitability and maximisation of shareholders’ investment, and without prejudice to the requirements of confidentiality of company data, carries out its corporate purpose with the intention of promoting competition, efficiency and the appropriate levels of quality in providing services. To this end:
 - guarantees impartiality in the management of essential infrastructures for the development of a free energy market;
 - prevents discrimination in the access to commercially sensitive information;
 - prevents the exchange of resources between segments of the supply chains.

ARTICLE 3

3.1 The Company’s head office is in San Donato Milanese, Milan, Piazza Santa Barbara 7.

3.2 Additional offices, branches and/or agencies may be established or wound up in Italy and abroad.

ARTICLE 4

4.1 The duration of the Company is until 31 December 2100 and may be extended one or more times, by resolution of the Shareholders' Meeting.

Title II – SHARE CAPITAL OF THE COMPANY

ARTICLE 5

5.1 The share capital amounts to 3,570,768,494.00 (three billion, five hundred seventy million, seven hundred sixty eight thousand, four hundred ninety four point zero zero) Euro, divided into 3,570,768,494 (three billion, five hundred seventy million, seven hundred sixty eight thousand, four hundred ninety four) shares with a value of 1.00 (one point zero zero) Euro each.

5.2 The Shareholders' Meeting may decide to increase capital by imposing terms, conditions and procedures. The capital may be increased:

- with in-kind contributions and credits;
- by issuing new shares, including special categories, to be allocated for free under Article 2349 of the Civil Code.

ARTICLE 6

6.1 The shares are registered and may not be split. Each share carries the right to one vote.

6.2 Where a share is jointly owned, the shareholders' rights are exercised by a single representative. The provisions regarding representation, legitimation and circulation of the shares envisaged for shares traded on regulated markets are confirmed.

6.3 Payments on shares shall be requested by the Board of Directors in one or more times. Default interest on late payments shall be charged at the legal rate of interest and Article 2344 of the Civil Code applies.

6.4 Withdrawal shall be allowed only in those cases envisaged in compulsory provisions of law and in any case, shall not be permitted in the case of extension of the duration, as well introduction, modification or removal of constraints regarding the circulation of shares.

6.5 The shareholder status implies, by itself, the unconditional adherence to these By-Laws.

6.6 The domicile of shareholders, other parties with voting rights, directors, auditors and the body tasked with auditing, as regards their relationship with the company, is the one indicated in the corporate books or in subsequent notifications sent to the company by said persons.

ARTICLE 7

7.1 The Company may issue bonds, including convertible bonds or warrant bonds and other certificates of indebtedness in the correct legal forms.

Title III – SHAREHOLDERS' MEETING

ARTICLE 8

8.1 Shareholders' Meetings shall be either ordinary or extraordinary.

8.2 The ordinary Shareholders' Meeting shall be called to approve the financial statements at least once a year, within 180 days of the closing of the financial year, since the Company is required to prepare consolidated financial statements.

8.3 Shareholders' Meetings shall be held in Italy.

ARTICLE 9

9.1 The Shareholders' Meeting shall be convened by notice published in terms and manner prescribed by law and by Consob Regulation.

Shareholders who, jointly, represent at least one fortieth of the share capital may request, within ten days after publication of the notice convening the shareholder's meeting, unless otherwise provided by provisions of the law, the supplement to the list of matters to be discussed, specifying in the request the matters to be resolved upon. Requests shall be submitted in writing. The supplement is not allowed for matters on which the Shareholders' Meeting may resolve, by law, upon proposal of the Directors or on the basis of a project or report they have prepared other than on matters on the agenda. Additions allowed by the Board of Directors shall be given notice at least fifteen days before the date fixed for the meeting, by way of information note to be published as indicated above, unless the law provides otherwise. Shareholders requiring the supplement of the agenda shall prepare a report holding the matters under consideration. The report shall be submitted to the Board of Directors before the submission deadline for the supplement request. The Board shall make the report publicly available together with any of their own observations, simultaneously to the publication of the supplement notice, on the Company's website and through other means laid down by Consob regulations.

The notice may also indicate the date, time and place of the second and third call. If this information is not contained in the notice, the Shareholders' Meeting may again be called within thirty days.

ARTICLE 10

10.1 Participation in the Shareholders' Meeting is governed by provisions of law, by the By-Laws and by the provisions contained in the notice convening the Meeting.

10.2 The legitimisation of the Shareholders' Meeting participation is governed by the provisions of the law. Those holding voting rights may delegate in writing another person to represent them as a proxy, according to law.

Delegation shall be notified by way of certified electronic mail. The related documents shall be kept by the Company.

10.3 The Company shall provide space to enable associations of shareholders who fulfil the relevant legal requirements under the terms and procedures agreed upon with their legal representatives from time to time to post notices and to collect proxies on behalf of shareholders who are employees of the Company or its subsidiaries.

10.4 It is the duty of the Shareholders' Meeting Chairman to ensure the validity of proxies and the right to participation in the Meeting.

10.5 The conduct of Shareholders' Meetings is governed by meeting regulations approved by the ordinary Shareholders' Meeting.

ARTICLE 11

11.1 The Shareholders' Meeting, legally convened and constituted, represents all the shareholders. Its decisions are binding on all the shareholders even if they did not participate in the Meetings, or abstained or voted against them.

11.2 The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in the event of his absence or impediment, by the person appointed by a majority of the shareholders present.

11.3 The Shareholders' Meeting appoints a Secretary, who need not be a shareholder.

11.4 The minutes of the Shareholders' Meeting are written by the Secretary and signed by the Secretary and the Chairman; the minutes of the extraordinary Shareholders' Meetings are written by a notary and signed by the Chairman.

The copies of the minutes certified as correct by their writer and the Chairman constitute the legal record.

ARTICLE 12

12.1 The validity of the formation of Shareholders' Meetings is established by law.

12.2 Ordinary Shareholders' Meetings authorise resolutions regarding sell-off's, assignments, rent, use and any other provisions, including those pertaining to joint ventures, which may limit the free availability of the assets of the Company or its branches with strategic relevance related to gas transport and dispatch activities, without prejudice, pursuant to article 2364 no. 5 of the Civil Code, to the directors' responsibility for actions taken. Resolutions regarding these matters shall be adopted, even in second call, with the approval of shareholders representing at least three quarters of the share capital present at the meeting.

12.3 For other matters within its powers, the ordinary Shareholders' Meeting decides with the majorities set by law.

12.4 The extraordinary Shareholders' Meeting resolves, at the first, second and third call, with a majority of at least three quarters of the capital represented at the meeting.

12.5 The Board of Directors is responsible for passing resolution on the following issues:

- mergers in the cases envisaged in articles 2505 and 2505 bis of the Civil Code, also in the case of de-mergers in the cases referred to in these clauses;
- opening, modification and wind-up of branches;
- reduction of the share capital in the case of withdrawal of shareholders;
- amendments of By-Laws to comply with legislative provisions;
- transfer of the company's registered office within the domestic territory.

Title IV – BOARD OF DIRECTORS

ARTICLE 13

13.1 The Company's management is entrusted to a Board of Directors consisting of not less than five members and no more than nine; Their number and term of office are established by the Shareholders' Meeting at the time of their appointment.

13.2 The Directors can be appointed for a period of no longer than three financial years. Their term of office expires on the date set for the Shareholders' Meeting to approve the financial statements of the last financial year of their term of office and they may be re-elected.

13.3 The Board of Directors is appointed by the Shareholders' Meeting based on lists present by shareholders showing the candidates in numerical order.

The lists are deposited at the Company's head office within the twenty-fifth day before the day of the Shareholders' Meeting called to decide on the appointment of the Board of Directors and made publicly available in the manner prescribed by law and by Consob regulations, at least twenty-one days before the Shareholders' Meeting.

All shareholders are entitled to present or jointly present only one list and to vote for only one list, in accordance with the above-mentioned legislative and regulatory provisions.

A candidate may appear on one list only or he shall be ineligible.

Shareholders shall be allowed to present lists only if, individually or jointly hold at least 2% of the share capital or are in whole holders of the different percentage of share capital laid down by Consob in its regulation. Ownership of the minimum necessary shares to present lists is determined considering those held on the day when the lists are deposited at the Company's registered office. In order to prove ownership of the number of shares required to present lists, shareholders shall present, within the period foreseen for the list publication by the Company, a certification issued by the authorised financial intermediaries pursuant to applicable provisions of the law.

At least one member, if the Board of Directors is composed of not more than seven members, or at least three members, if the Board of Directors is composed of more than seven members, shall

satisfy the independence requirements established for members of the Board of Statutory Auditors of listed companies.

The lists shall expressly identify the candidates who satisfy the above-mentioned independence requirements.

All candidates shall further fulfil the integrity requirements established by current regulations.

The professional curriculum vitae of each candidate and statements by each candidate accepting the nomination and certifying under their own responsibility that there are no causes of ineligibility or incompatibility and that they satisfy the integrity requirement and the independence requirement must be filed at the same time as the list. Failure to comply will result in the candidate's inadmissibility.

Appointed directors shall inform the company in the event that they no longer satisfy the independence and integrity requirements, or should unexpected occurrences result in ineligibility or incompatibility.

13.4 The Board of Directors shall periodically evaluate the independence and integrity of the members as well as ensure that there are no causes for ineligibility or incompatibility. In the event that a director does not satisfy or fails to fulfil the independence or integrity requirements declared and set down by law, or if there should be any reasons for ineligibility or incompatibility, the Board of Directors shall declare the suspension of the director's office and see to his replacement or invite him to remedy the reasons for incompatibility within a set term. Failure shall result in disqualification from the position.

13.5 Members of the board shall be elected as follows:

- a) seven-tenths of the members to be elected, rounded down to the next lower integer number in the case of fractions, shall be taken from the list that received the majority of shareholder votes in the numerical order they were listed;
- b) the rest of the members shall be taken from the other lists that are in no way connected, even indirectly, to the shareholders who presented or voted for the list that had the largest number of votes; to this end, the votes obtained from these lists are subsequently divided by one, two or three according to the number of members to be appointed. The quotients thus obtained are progressively assigned to the candidates on each of these lists, according to the order given in the lists themselves. The quotients assigned in this way are then set out in descending order. Those with the highest quotients are accordingly elected. In the event of candidates having the same quotient, the candidate is elected from a list which has so far not had any members elected or which has had the lowest number of members elected. In the case that none of these lists has elected a member or all of them have elected the same number of members, the candidate who has received the largest number of votes shall be elected from these lists. Should there be an equal number of list votes, and all with the same quotient, a new vote shall be taken by the entire Shareholders' Meeting, and the candidate who receives the simple majority of votes shall be elected;
- c) in the event that the minimum number of independent members pursuant to statutory regulations are not elected, the quotient of votes to be assigned to each candidate on the various lists shall be calculated following the system described in letter b); the number of candidates required to ensure compliance with the statutory provisions shall be elected from those candidates who have not yet been taken from the lists as per letters a) and b), who satisfy the independence requirements, and who have received the highest quotients. These members shall take the place of the non-independent members who were assigned the lowest quotients. In the event that there are not enough candidates to fulfil the minimum required number of independent members, the Shareholders' Meeting shall resolve, according to the legally prescribed majorities, to replace the candidates who do not satisfy the independence requirements and who received the lowest quotients;
- d) to appoint members who for any other reason are not appointed following the above procedure, the shareholders' meeting shall pass resolutions, in accordance with the legally

prescribed majorities, so as to ensure that the membership of the Board of Directors complies with the law and the By-Laws.

Other mandatory provisions of current law, including regulations, are not affected and remain in force.

13.6 The list voting procedure is applicable only in the case that the entire Board of Directors is being renewed.

13.7 The Shareholders' Meeting can change the number of members of the Board of Directors, even while it is in office, within the limit specified in the first paragraph of this article, seeing to the relative appointments. Appointments of members who are elected in this manner shall expire at the same time as that of those who are in office.

13.8 If one or more members leave the Board during the term, action will be taken in compliance with Article 2386 of the Civil Code. If a majority of members leaves the Board, the entire Board of Directors shall be considered lapsed and the Board of Directors shall promptly convene the Shareholders' Meeting in order to appoint a new Board.

13.9 The Board of Directors may form internal committees charged with consulting and proposal-making roles on specific matters.

ARTICLE 14

14.1 The Board of Directors may appoint the Chairman from among its members if the Shareholders' Meeting has not already done so, as well as the Secretary, who need not be a Board member.

The Chairman:

- represents the Company pursuant to art. 19 of these By-Laws;
- chairs Shareholders' Meetings, exercising the functions envisaged in law and in the Shareholders' Meeting regulation;
- calls and chairs Board of Directors' meetings, prepares the agenda and coordinates its tasks;
- arranges for adequate information about the topics on the agenda to be provided to the directors.

ARTICLE 15

15.1 The Board of Directors is convened by the Chairman – or, in his absence or impediment, by the Managing Director, or, finally, in his absence or impediment, by the eldest board member—whenever he deems suitable or when at least two Board members request a meeting of the Board in writing. The request must indicate the reasons for convening the Board.

15.2 The Board of Directors meets in the location indicated in the notice of the meeting. The notice is usually sent at least five days before the meeting; the Board of Directors will define any other terms and procedures for the convening of its meetings. The Board of Directors' meetings may be held via conference call or video conference on condition that all participants are identifiable and can follow the discussion, examine, receive and transmit documents and participate in real time in the discussions. The meeting is considered as having taken place where the Chairman of the meeting and Secretary are located.

The Board shall define additional terms and conditions for the calling of Shareholders' Meetings.

15.3 The meetings of the Board shall be chaired by the Chairman or in his absence or impediment, the Managing Director or, finally, in case of absence or inability to attend of the latter, by the oldest Board member present.

ARTICLE 16

16.1 The Board of Directors is invested with full powers for ordinary and extraordinary management of the Company and, in particular, may take all actions it deems necessary for the implementation and achievement of the corporate purpose, excluding only acts that the law or these By-laws reserve the Shareholders' Meeting. The Board may delegate its powers to one or more of its members, determining the limits of delegation pursuant to Article 2381 of the Italian Civil Code and appointing the Managing Director. The Board may, at any time, direct the Managing Director

course of action, and carry out transactions thereto attributed, , as can at any time revoke such delegation, proceeding in that case, to the simultaneous appointment of another Managing Director. The Board may also establish committees and determine their powers and the number of components.

The Board, upon proposal of the Chairman, in consultation with the Managing Director, may confer powers for single acts or categories of acts to other members of the Board of Directors.

The Chairman and the Managing Director, within the powers to them conferred, may give proxies and powers of attorney of the Company, for single acts or categories of acts, to employees of the Company and also third parties.

16.2 The Board of Directors may appoint, as proposed by the Managing Director, upon agreement with the Chairman, one or more General Managers, defining their powers, subject to verification that they satisfy the legally prescribed integrity requirements. The Board of Directors shall periodically evaluate the integrity of the General Managers. Failure to satisfy the requirements shall result in removal from the position.

16.3 On the occasion of meetings and at least once every three months, the Chairman or any directors granted powers pursuant to this article shall inform the Board of Directors and the Board of Auditors on the general trend of operations, including those of subsidiaries, on foreseeable developments, on operations with the most significant economic, financial and patrimonial impact, with special reference to operations in which directors have a personal or indirect interest and those which are affected by any party exercising management or coordination activities.

16.4 The Board of Directors, as proposed by the Managing Director and upon agreement with the Chairman, subject to prior approval by the Board of Statutory Auditors, shall appoint the manager charged with preparing the company's financial reports from among those who satisfy the requirements of professionalism specified below.

The Manager responsible for preparing the company's financial reports shall be chosen from among those who have worked in the following roles for at least three years:

- a) administrative or internal control or management responsibilities at a listed company in Italian or European Union regulated markets, or markets in countries who are members of the OECD that have a share capital no less than two million Euro, or
- b) legal auditing of the financial statements of companies described in letter a), or
- c) professional practice or university professorship in the subject, either financial or accounting, or
- d) managerial functions with public or private organisations with responsibilities in the financial, accounting, or auditing sectors.

The Board of Directors shall ensure that the manager responsible for preparing the company's financial reports is endowed with adequate powers and means to perform his duties and shall ascertain that the company's administrative and accounting procedures are effectively applied.

ARTICLE 17

17.1 A Board of Directors meeting is valid if a majority of members is present.

17.2 The decisions are agreed by a simple majority of members present and, in the event of a tie, by the meeting chairman's casting vote.

17.3 The minutes of the board meetings are written by the Secretary of the Board of Directors and signed by the Chairman of the meeting and the Secretary.

17.4 Copies of minutes certified by the Chairman of the meeting and the Secretary of the Board of Directors are valid for legal purposes.

ARTICLE 18

18.1 Board members are entitled to remuneration on an annual basis and for the duration of their office as set by the ordinary Shareholders' Meeting when they were appointed; the remuneration so

defined is valid until such time as the Shareholders' Meeting decides otherwise. Board members also receive reimbursement for expenses arising from their duties.

18.2 Board members with specific duties receive remuneration set by the Board of Directors following the opinion of the Board of Auditors.

ARTICLE 19

19.1 Legal representation of the Company before any judicial or administrative authority and before third parties and the social signature are responsibility of either the Chairman or the Managing Director.

Title V – BOARD OF STATUTORY AUDITORS

ARTICLE 20

20.1 The Board of Statutory Auditors consists of three statutory auditors; two alternate auditors shall also be appointed. The Shareholders' Meeting shall appoint the auditors and determine their compensation. Auditors shall be chosen from among those who satisfy the integrity and professionalism requirements established by the applicable laws, particularly Ministry of Justice Decree no. 162 of 30 March 2000.

According to the provisions of this decree, the matters strictly connected to the Company's activities are: commercial law, business economics, corporate finance.

For this purpose, sectors strictly connected to the Company's business are engineering and geological.

20.2 Auditors may hold positions as members of administrative and control bodies in other companies, within the limits established by Consob regulations.

20.3 The Board of Statutory Auditors shall be appointed by the Shareholders' Meeting based on lists presented by shareholders of the candidates in numerical order.

The filing, presentation, and publication of the lists shall be governed by Article 13.3 of these By-laws.

Each shareholder may individually or jointly present only one list and vote for only one list, in accordance with the procedures prescribed by the above-mentioned legislative and regulatory provisions.

Shareholders shall be allowed to present lists only if, individually or jointly hold at least 2% of the share capital or are in whole holders of the different percentage of share capital laid down by Consob in its regulation.

A candidate who appears on more than one list shall be ineligible.

The lists are divided into two sections: the first regards candidates for the post of statutory auditor, the second is for that of alternate auditor. At least the first candidate for each section must be enrolled in the auditors' register and have carried out legal audits of financial statements for at least three years.

The two statutory and one alternate auditors shall be taken from the list that receives the majority of votes. The other statutory and alternate auditors shall be appointed according to the procedures set forth in Article 13.5, letter b), to be applied individually to each of the sections in which the other lists are divided.

The Shareholders' Meeting shall appoint the statutory auditor who was elected according to the procedures set forth in Article 13.5, letter b) as Chairman of the Board of Statutory Auditors.

In the event that an auditor taken from the list that received the majority of votes is replaced, the alternate auditor from the same list shall take his or her place; in the event an auditor taken from the other lists is replaced, the alternate auditor from these lists shall be appointed.

The list voting procedure is applicable only in the event that the entire Board of Statutory Auditors is being renewed.

Other mandatory provisions of current law, including regulations, are not affected and remain in force.

20.4 Outgoing auditors are eligible for re-election.

20.5 The Board of Statutory Auditors may, after consultation with the Chairman of the Board, convene the Shareholders' Meeting and the Board of Directors. The right to convene the Board of Directors may be exercised individually by each member of the Board of Statutory Auditors; the right to convene the Shareholders' Meeting may be exercised by no less than two members of the Board of Statutory Auditors.

20.6 The Board of Statutory Auditors may meet via conference call or video conference providing that all participants are identifiable and can follow the discussion, examine, receive and transmit documents and participate in real time in the discussions.

The meeting is considered as having taken place where the Chairman of the Board of Statutory Auditors and Secretary, if appointed, are located.

Title VI – BALANCE SHEET, PROFITS AND DIVIDENDS

ARTICLE 21

21.1 The Company's financial year runs from 1st January to 31st December of each year.

At the end of each financial year the Board of Directors prepares the financial statements as required by law.

21.2 The net profit shown in the financial statements and properly approved will be distributed:

- up to 5% to legal reserves until this reaches the limit set by law;
- the remainder will be distributed to shares, except as otherwise decided by the Shareholders' Meeting.

Dividends not collected within five years of the date on which they became payable revert to the Company.

The Board of Directors may agree a dividend payment on account in the course of financial year.

Title VII – LIQUIDATION AND WIND-UP

ARTICLE 22

22.1 The liquidation and wind-up of the Company is governed by the relevant laws.

Title VIII – GENERAL PROVISIONS

ARTICLE 23

23.1 All matters not expressly covered or not otherwise regulated by the By-Laws are governed by provisions of law.