

**BY-LAWS**  
**SNAM RETE GAS S.P.A**

COMPANY NAME - CORPORATE PURPOSE - HEAD OFFICE -  
DURATION OF THE COMPANY - SHARE CAPITAL - OBLIGATIONS

ARTICLE 1

The company “Snam Rete Gas S.p.A.” or abbreviated as "Snam RG 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

The Company’s purpose is:

- 1) the construction and operation of any means for the compression, transport, dispatch and regasifying of hydrocarbons, industrial gases and other gaseous, liquid and solid products;
- 2) research and scientific and technical laboratory work in the field of physics and chemistry especially as regards the hydrocarbon sector and energy sources;
- 3) the acquisition of patents regarding energy sources and transportation thereof;
- 4) the study, design, building, acquisition, management and operation of complex transportation systems, transportation infrastructure, information technology and telecommunications;
- 5) the manufacture, purchase and sale of machines, equipment, materials and products related to the corporate purpose;
- 6) the construction, purchase and sale, exchange, development, management and renting of property considered necessary or useful in achieving the corporate purpose;
- 7) activities to protect, restore and safeguard the environment.

In pursuing the corporate purpose the Company may either directly or indirectly take shareholdings in other companies or businesses with similar, complementary, related or connected purposes and may carry out any industrial, commercial, property and financial operations, including the issue of guarantees linked to, used for or complementary to even indirectly achieving the corporate purpose, with the exception of the collection of public savings and activities governed by regulations on financial intermediation.

Activities restricted by law to specific professional categories are excluded.

The Company may operate both in Italy and abroad.

In its operations the Company will treat shippers equally, act openly and impartially in transporting and dispatching, and operate in compliance with legal and electricity and gas Regulatory Authority requirements and regulations.

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, it:

- 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

The Company's head office is in San Donato Milanese, Milan, Piazza Santa Barbara 7. Additional offices, branches and agencies may be established or wound up in Italy and abroad.

### ARTICLE 4

The duration of the Company is until 31 December 2100 and may be extended.

### ARTICLE 5

The company's share capital is 1,956,445,600.00 (one billion, nine hundred fifty-six million, four hundred and forty-five thousand, six hundred point zero zero) euro divided into 1,956,445,600 (one billion, nine hundred fifty-six million, four hundred and forty-five thousand, six hundred) shares, nominal value 1.00 (one point zero zero) euro each.

Share capital increases in kind and through assignment of credits are allowed.

The Company may issue shares, including special categories, to allocate for free as per Article 2349 of the Civil Code.

### ARTICLE 6

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

The Board of Directors will set the terms and procedures for the increase in share capital, in the event of the Shareholder's Meeting not having done so.

Default interest on late payments shall be charged at the legal rate of interest and Article 2344 of the Civil Code applies.

Withdrawal is 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.

### ARTICLE 7

Until the expiry of regulatory period on tariffs for natural gas transport and dispatch the regulatory period immediately following the period terminating on 30 September 2005, which term will be set by the competent Authority, the exercise of voting rights and of any other non – economic right connected to shares exceeding more than 15% of the share capital represented by shares with voting rights in the ordinary Shareholders' Meeting which were acquired, following the Company's listing on the Stock Exchange, by a Government or public authorities or by persons directly or indirectly controlled by them, or by persons who directly or indirectly, through companies controlled by them or connected to them or by bodies controlling them in the import and/or export of natural gas to Italy is subject to the written approval of the Company's Board of Directors.

Control under the terms of Article 2359, par. 1 and 2, of the Civil Code applies to non-corporate bodies as well.

In calculating this percentage, account is taken of the voting rights belonging as a whole to single bodies and to the group to which they belong, considered as being the body (even if not incorporated as a company) which exercises control, subsidiaries and those subject to joint control, as well as related companies and their subsidiaries. In calculating the figure, account is also taken of the rights deriving from shares held by trustees and/or proxies and in general by nominees, as well as shares held by entities other than those indicated above which are bound by agreements with the bodies indicated above, in any event relative to the use of the right to vote regarding the Company.

The purchase of shares exceeding the 15% threshold as defined above must be communicated in writing to the Company to obtain approval by the Board of Directors.

Approval will be communicated within sixty days of receipt by the Company of the communication described above in writing to the shareholder and is irrevocable. Approval may be withheld only in the interests of the Company.

In the absence of approval or prior to the expiry of the sixty day period indicated above, or in the absence of the communication by the shareholder as indicated in the fourth paragraph of this article, voting rights, or those rights other than those deriving from voting stocks, for shares exceeding the 15% of the share capital may not be exercised.

The provisions of this article will lapse in the event of issue of ministerial decrees in respect of the Company regarding the exercise of special powers envisaged under Article 2, paragraphs 1 and 1bis, of Law no. 474 of 30 July 1994.

## ARTICLE 8

Shareholders shall unconditionally adhere to the by-laws.

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 9

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

## SHAREHOLDERS' MEETINGS

### ARTICLE 10

Shareholders' meetings are either ordinary or extraordinary.

The ordinary shareholders' meeting is called to approve the financial statements at least once a year, within 120 days of the closing of the financial year.

Shareholders' meetings are held in Italy.

### ARTICLE 11

The shareholders' meeting is convened by a notice containing information on the date, time, location and agenda to be published in the Official Gazette or in at least one of the following daily newspapers: "Il Sole 24 Ore", "Corriere della Sera", "La Repubblica" as required by law.

Shareholders who separately or jointly represent at least one fortieth of the share capital may request, within five days of the publication of the notice convening the Meeting, additions to the agenda, specifying in the request the additional items they propose. Additions to the agenda may not be made for matters on which the shareholders' meeting is required by law to resolve on

proposals put forward by the directors or on the basis of a plan or report they have prepared. Notice of items added to the agenda upon the approval of the Board of Directors shall be given at least ten days before the date set for the meeting in a notice to be published as described above.

The notice may also indicate the date, time and location of the second and third call.

## ARTICLE 12

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.

Persons who have been issued a notification pursuant to Civil Code Article 2370, paragraph 2 by an authorised financial intermediary at least two working days prior to the date set for the first call are entitled to participate in Shareholders' Meetings.

Entitled persons may delegate in writing another person to represent them as a proxy, according to law.

The Company shall provide space to enable associations of shareholders who fulfil the relevant legal requirements under the terms and procedures agreed 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.

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

The conduct of shareholders' meetings is governed by meeting regulations approved by the ordinary shareholders' meeting.

## ARTICLE 13

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.

## ARTICLE 14

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

The shareholders' meeting appoints a Secretary, who need not be a shareholder.

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 15

The validity of the formation of shareholders' meetings is established by law.

Ordinary shareholders' meetings authorise resolutions regarding sell-offs, assignments, rent, use and any other provisions, including those pertaining to joint ventures, which may limit the free disposability 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.

For other matters within its powers, the ordinary shareholders' meeting decides with the majorities set by law.

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.

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 demergers 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.

## BOARD OF DIRECTORS

### ARTICLE 16

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.

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.

The Board of Directors is appointed by the shareholders' meeting based on lists showing the candidates in numerical order.

The lists are presented by the shareholders and filed with the Company's head office, at least fifteen days before the date of the shareholders' meeting in first call, and must be published, according to the procedures prescribed by the law and regulations issued by Consob for the election of the members of the administrative and internal control bodies.

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.

Only shareholders who individually or jointly hold at least 2% of shares with the right to vote in the Ordinary Shareholders' Meeting, or a different percentage fixed or referred to by legislative or regulatory provisions, are entitled to present lists. In order to prove ownership of the number of shares required to present lists, shareholders shall present or have delivered to the Head Office a copy of the notification issued by the financial intermediaries who are authorised depositories of the shares together with the lists.

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.

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.

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.

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

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.

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.

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

#### ARTICLE 17

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;
- 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;
- exercises the powers granted by the Board of Directors.

#### ARTICLE 18

The Board of Directors is convened by the Chairman – or, in his absence or impediment, by a managing director, or, finally, in his absence or impediment, by the eldest board member—whenever he thinks it appropriate 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.

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 meetings of the Board of Directors are chaired by the Chairman; in the event of his absence or impediment, by the oldest managing director present will chair the meeting, or in the event of his absence or impediment, by the oldest board member present.

#### ARTICLE 19

The Board of Directors, pursuant to Article 2381 of the Civil Code, may delegate powers to one or more of its members, defining the limits of this delegation and establishing Committees, determining their powers and the number of components.

The Board of Directors may appoint, as proposed by the eldest 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.

The Board of Directors may also delegate powers for single acts or categories of acts to Company employees and third parties.

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.

The Board of Directors, as proposed by the eldest 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 Euros, or
- b) legal auditing of the accounts 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 20

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

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.

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

## ARTICLE 21

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.

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

## BOARD OF STATUTORY AUDITORS

## ARTICLE 22

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, a sector strictly connected to the Company's business is engineering.

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

Until these regulations come into force, auditors may not be appointed, or if appointed, will cease to be so, who are already statutory auditors in at least five companies that are not controlled by Eni S.p.A. issuing shares listed in regulated markets.

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

Legal provisions and regulations issued by Consob regarding the election of members of administrative and internal control bodies shall be applied to matters concerning the filing, presentation, and publication of the lists.

Each shareholder may singly 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 who at the time of the presentation of lists have the right to vote and who alone or jointly with other shareholders hold at least 2% of shares with the right to vote in the ordinary meeting, or a different percentage fixed or referred to by legislative or regulatory provisions, are entitled to present lists.

In order to prove ownership of the number of shares required to present lists, shareholders shall present or have delivered to the Head Office, along with the lists, a copy of the notification issued by the financial intermediaries who are authorised depositories of the shares.

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 accounts 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 16, 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 16, 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.

Outgoing auditors are eligible for re-election.

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.

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.

## REPRESENTATION AND POWERS OF SIGNATURE

### ARTICLE 23

Legal Representation of the Company in relation to third parties and in court is the individual responsibility of the Chairman and those Board members who have been delegated powers under Article 19 of these by-laws.

## BALANCE SHEET, PROFITS AND DIVIDENDS

### ARTICLE 24

The Company's financial year runs from 1<sup>st</sup> January to 31<sup>st</sup> December of each year.

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

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.

## LIQUIDATION AND WIND-UP

### ARTICLE 25

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

## GENERAL PROVISIONS

### ARTICLE 26

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