

Report of the Board of Directors on the proposals relating to the item on the agenda for the Shareholders' Meeting

**SNAM S.p.A.**

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

**Report of the Board of Directors on the proposals relating to items  
placed on the agenda for the Shareholders' Meeting**

**Extraordinary part**

**Item 1**

**Amendment to Articles 2, 5, 6 and 17 of the Bylaws.**

Shareholders,

We hereby submit for your approval the proposal to amend Articles 2, 5, 6, and 17 of the Bylaws.

The proposed amendments are to the form of the articles and are necessary in order to make the text clearer.

Note that the proposed changes do not give rise to the statutory right of withdrawal.

Shareholders,

In consideration of the foregoing, you are invited to:

- approve the amendments to Articles 2, 5, 6, and 17 of the Bylaws of Snam S.p.A. based on the text indicated below alongside the version currently in force.

<b>CURRENT VERSION</b>	<b>PROPOSED VERSION</b>
<b>SNAM S.p.A. BYLAWS</b>	<b>SNAM S.p.A. BYLAWS</b>
<b><u>Chapter I - ESTABLISHMENT AND</u></b>	<b><u>Chapter I - ESTABLISHMENT AND</u></b>

<u>CORPORATE PURPOSE</u>	<u>CORPORATE PURPOSE</u>
<p style="text-align: center;">ARTICLE 2</p> <p>2.1 The corporate purpose is to exercise, directly or indirectly, in Italy and abroad, including through direct or indirect equity investments in companies, entities or enterprises, in regulated activities involving transportation, dispatching, distribution, regasification and storage of hydrocarbons, as well as any other economic activity that is linked through whatever degree of importance to one or more of the activities mentioned above, including the production of hydrocarbons associated with activities for storage thereof, the storage of other gases, the activity of energy metering, as well as the management of organised gas markets; all in observance of the concessions provided for by law.</p> <p>2.2 In pursuance of the corporate purpose and instrumental thereto:</p> <ul style="list-style-type: none"> <li>- the Company may take all actions necessary or appropriate for the achievement of the corporate purpose, by way of example, industrial, commercial, securities, 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;</li> <li>- 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;</li> <li>- the Company may engage in activities connected with the protection and restoration of the environment and land conservation;</li> <li>- in its operations the Company will</li> </ul>	<p style="text-align: center;">ARTICLE 2</p> <p>2.1 The corporate purpose is to exercise, directly or indirectly, in Italy and abroad, including through direct or indirect equity investments in companies, entities or enterprises, in regulated activities involving transportation, dispatching, distribution, regasification and storage of hydrocarbons, as well as any other economic activity that is linked through whatever degree of importance to one or more of the activities mentioned above, including the production of hydrocarbons associated with activities for storage thereof, the storage of other gases, the activity of energy metering, as well as the management of organised gas markets; all in observance of the concessions provided for by law.</p> <p>2.2 In pursuance of the corporate purpose and instrumental thereto, <b>the Company:</b></p> <ul style="list-style-type: none"> <li>- <del>the Company</del> may take all actions necessary or appropriate for the achievement of the corporate purpose, by way of example, industrial, commercial, securities, property and financial operations, as assets or liabilities, and any activity that is connected to the achievement of the corporate purpose, including, <del>among others,</del> technical and scientific research – the acquisition of technical patents related to activities developed <b>and the activities</b> of 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;</li> <li>- <del>the Company</del> shall undertake the technical, industrial and financial coordination of subsidiaries and the provision of the appropriate financial assistance and services by those required;</li> <li>- <del>the Company</del> may engage in activities connected with the protection and restoration of the environment and land conservation;</li> <li>- in its operations <del>the Company will</del></li> </ul>

<p>uphold the principles of equal treatment of shippers, transparency, impartiality and neutrality in transporting and dispatching, 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:</p> <ul style="list-style-type: none"> <li>• guarantees impartiality in the management of essential infrastructures for the development of a free energy market;</li> <li>• prevents discrimination in the access to commercially sensitive information;</li> <li>• prevents the exchange of resources between segments of the supply chains.</li> </ul>	<p>uphold the principles of equal treatment of shippers, transparency, impartiality and neutrality in transporting and dispatching, 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:</p> <ul style="list-style-type: none"> <li>• guarantees impartiality in the management of essential infrastructures for the development of a free energy market;</li> <li>• prevents discrimination in the access to commercially sensitive information;</li> <li>• prevents the exchange of resources between segments of the supply chains.</li> </ul>
<p align="center"><b><u>Chapter II – SHARE CAPITAL OF THE COMPANY</u></b></p>	<p align="center"><b><u>Chapter II – SHARE CAPITAL OF THE COMPANY</u></b></p>
<p align="center">ARTICLE 5</p>	<p align="center">ARTICLE 5</p>
<p>5.1 The share capital amounts to €3,571,187,994.00 (three billion, five hundred seventy one million, one hundred eighty seven thousand, nine hundred ninety four point zero zero), divided into 3,381,638,294 (three billion, three hundred eighty-one million, six hundred thirty-eight thousand, two hundred ninety-four) shares with no indication of nominal value.</p> <p>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 Italian Civil Code.</p>	<p>5.1 The share capital amounts to €3,571,187,994.00 (three billion, five hundred seventy one million, one hundred eighty seven thousand, nine hundred ninety four point zero zero), divided into <b>no.</b> 3,381,638,294 (three billion, three hundred eighty-one million, six hundred thirty-eight thousand, two hundred ninety-four) shares with no indication of nominal value.</p> <p>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; <b>and</b> by issuing new shares, including special categories, to be allocated for free under Article 2349 of the Italian Civil Code.</p>
<p align="center">ARTICLE 6</p>	<p align="center">ARTICLE 6</p>
<p>6.1 The shares are registered and may not be split. Each share carries the right to one vote.</p> <p>6.2 Where a share is jointly owned, the shareholders' rights are exercised by a single representative. The provisions regarding</p>	<p>6.1 The shares are registered and may not be split. Each share carries the right to one vote.</p> <p>6.2 Where a share is jointly owned, the shareholders' rights are exercised by a single</p>

<p>representation, legitimation and circulation of the shares envisaged for shares traded on regulated markets are confirmed.</p> <p>6.3 Payments on shares shall be requested by the Board of Directors on one or more occasions. Default interest on late payments shall be charged at the legal rate of interest and Article 2344 of the Italian Civil Code applies.</p> <p>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.</p> <p>6.5 Shareholder status, in and of itself, implies the unconditional adherence to these Bylaws.</p> <p>6.6 The domicile of shareholders, other parties with voting rights, directors, auditors and the audit Company, for the purposes of their relations with the Company, is the one indicated in the corporate books or in subsequent notifications sent by said persons.</p> <p style="text-align: center;"><b><u>Chapter IV – BOARD OF DIRECTORS</u></b></p> <p style="text-align: center;">ARTICLE 17</p> <p>17.1 A Board of Directors meeting is valid if present a majority of members.</p> <p>17.2 Resolutions are adopted by a simple majority of members present and, in the event of a tie, by the meeting chairman's casting vote.</p> <p>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.</p> <p>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.</p>	<p>representative. The provisions regarding representation, legitimation and circulation of the shares envisaged for shares traded on regulated markets are confirmed.</p> <p>6.3 Payments on shares shall be requested by the Board of Directors on one or more occasions. Default interest on late payments shall be charged at the legal rate of interest and Article 2344 of the Italian Civil Code applies.</p> <p>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.</p> <p>6.5 Shareholder status, in and of itself, implies the unconditional adherence to these Bylaws.</p> <p>6.6 The domicile of shareholders, other parties with voting rights, directors, auditors and the <b>statutory</b> audit Company, for the purposes of their relations with the Company, is the one indicated in the corporate books or in subsequent notifications sent by said persons.</p> <p style="text-align: center;"><b><u>Chapter IV – BOARD OF DIRECTORS</u></b></p> <p style="text-align: center;">ARTICLE 17</p> <p>17.1 A Board of Directors meeting is valid if <del>present</del> a majority of members <b>is present</b>.</p> <p>17.2 Resolutions are adopted by a simple majority of members present and, in the event of a tie, by the meeting chairman's casting vote.</p> <p>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.</p> <p>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.</p>
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- grant the broadest powers to the Chief Executive Officer so that, even by means of proxy, he may give effect to this resolution and, where appropriate or necessary, he may make formal

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additions, changes and deletions which may be requested by the  
competent Authority for registration in the Register of  
Companies.

The Chairman of the Board of Directors

Mr. Lorenzo Bini Smaghi