

Reports of the Board of Directors on the proposals relating to items on the agenda of 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 on
the agenda of the Shareholders' Meeting**

Ordinary Part

Item 5

Determination of the term of office of the Directors

Shareholders,

Pursuant to Article 13 of the Bylaws, directors may be appointed for a period not exceeding three financial years, which term expires on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of their term of office.

In order to ensure continuity in the management of the Company, the Board of Directors proposes to set the term of office for the directors to be appointed at three financial years (2013, 2014 and 2015), thus expiring on the date of the Shareholders' Meeting to be called for approving the financial statements for the financial year as at 31 December 2015.

Shareholders,

Reports of the Board of Directors on the proposals relating to items on the agenda of the Shareholders' Meeting

You are invited to approve the proposal to set the term of office for the directors to be appointed at three financial years, expiring on the date of the Shareholders' Meeting to be called for approving the financial statements for the financial year as at 31 December 2015.

The Chairman of the Board of Directors

Mr. Lorenzo Bini Smaghi