

Board of Directors' Report on the proposals
concerning items placed on the agenda for the Shareholders' Meeting

SNAM S.p.A.

ORDINARY SHAREHOLDERS' MEETING OF 29 APRIL 2015

SINGLE CALL

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

Item 2

Allocation of the period profits and dividend distribution

Dear Shareholders,

The Board of Directors proposes that you:

- o approve the financial statements as at 31 December 2014, which show a profit of € 470,470,317.60;
- o reclassify the share premium reserve under legal reserve to bring the latter up to the minimum limit required by Article 2430 of the Italian Civil Code;
- o allocate the profit of € 470,470,317.60 to the shareholders as a dividend € 0.25 per shares outstanding on the ex-dividend date, excluding treasury shares on that date, using the full amount of profits carried forward from previous years and the Share premium reserve up to the overall amount of the dividend;
- o pay out the dividend balance of € 0.25 per share, starting 20 May 2015, with an ex-dividend date of 18 May 2015 and record date of 19 May 2015.

Dear Shareholders,

You are invited to:

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concerning items placed on the agenda for the Shareholders' Meeting

- o approve the financial statements as at 31 December 2014, which show a profit of € 470,470,317.60;
- o reclassify the share premium reserve under legal reserve to bring the latter up to the minimum limit required by Article 2430 of the Italian Civil Code;
- o allocate the profit of € 470,470,317.60 to the shareholders as a dividend € 0.25 per shares outstanding on the ex-dividend date, excluding treasury shares on that date, using the full amount of profits carried forward from previous years and the Share premium reserve up to the overall amount of the dividend;
- o pay out the dividend balance of € 0.25 per share, starting 20 May 2015, with an ex-dividend date of 18 May 2015 and record date of 19 May 2015.

Chairman of the Board of Directors

Mr. Lorenzo Bini Smaghi