

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

**SNAM S.p.A.**

**ORDINARY SHAREHOLDERS' MEETING OF 29 APRIL 2015**

**SINGLE CALL**

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

**Item 4**

**Compensation Policy pursuant to Article 123-ter of Legislative Decree No. 58 of 24 February 1998**

Shareholders,

The Report on Compensation was issued on the basis of Article 123-ter of the Legislative Decree No. 58 of 24 February 1998 (“*TUF*”) and Article 84-quater of the Regulation implementing the TUF (adopted by Consob under Resolution No. 11971 of 14 May 1999 and subsequent amendments), introduced by the Consob resolution No. 18049 of 23 December 2011.

According to paragraph six of Article 123-ter of the TUF, the Shareholders' Meeting is asked to resolve on the section of the Report on Compensation concerning the company's policy on compensation for members of administrative bodies, general managers and executives with strategic responsibilities, and concerning the procedures used for the adoption and implementation of that policy. The resolution is not binding.

The document “*Report on Compensation*” is filed at the registered offices of the Company, Borsa Italiana S.p.A. and on the Company website. Therefore, this report refers to that document.

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

Shareholders,

You are asked to approve on an advisory basis the section of the Report on Compensation referred to in the third paragraph of Article 123-*ter* of the TUF.

The Chairman of the Board of Directors

Mr. Lorenzo Bini Smaghi