

Orientations of the Board of Directors of Snam to the Shareholders on the future dimension and composition of the Board of Director

In accordance with the Code of Corporate Governance's recommendations, in view of the renewal of the corporate bodies, which would occur at the shareholders' meeting called for 27 April 2016, the Board of Directors of Snam, taking into account the results of the evaluation on Board of Directors and its Committees' functioning, has carried out, after consulting the Appointments Committee, considerations on the future dimension and composition of the Board of Directors to be submitted to shareholders.

Size of the Board of Directors

The Board of Directors deems the current number of nine directors, the maximum permitted by the Bylaws in force, to be adequate. In particular, the Board considers appropriate the ratio between Executive Directors (1), Non-Executive Non-Independent Directors (3) and the Independent Directors (5) in light of the complexity and specificity of the activities and management functions (Committees included) of both the Company and the Group.

Composition of the Board of Directors

The Chairman

- should be a person with leadership, business and professional preparation adequate to the role and complementary to the CEO's ones;
- should have previous experience at boards of directors of companies of a comparable size and international scope to Snam;
- should dedicate time, presence and energy to fulfilling the role he/she represents.

The CEO

- should have significant and successful experiences in executive roles at large companies of a comparable size and complexity to Snam;
- should have a good capacities for strategy and, preferably, experience and/or knowledge of the Snam's businesses or sectors which present similarities to these, particularly with regard to the relations, opportunities and risks of a governance/institutional nature also on an international scale, and of economic/financial assessments and assessments of operating control of large infrastructure assets.

The other seven directors

- should all be non-executive directors, of whom – also in relation to the composition of the Committees – at least five should be independent, based on the criteria set out by law and by the recommendations of the Code of Corporate Governance;
- should be able to demonstrate, in the light of their experience, also gained within boards of directors of listed companies, the ability of strategic guidelines and to stimulate results, team work and the capacity to influence and resolve potential disagreements;
- should represent the following areas of expertise and experience:
 - a) management experience (also multinational ones), including in situations of strategic and corporate development;
 - b) experience in or knowledge of the conduct of foreign institutions or political organisations, preferably in countries where Snam operates;
 - c) experience/expertise in the energy business, in particular in the sectors of specific interest of Snam; knowledge of the international geopolitical dynamics; knowledge of regulatory policies and practices in the sectors of specific interest of the Company and in the countries where operates;
 - d) expertise in economic/financial matters, financial statements and risk management, preferably specific to the infrastructure and/or energy business;
 - e) legal and corporate governance knowledge.

The composition of the Board of Directors should contain adequate gender diversity and complementary experiences and expertise. All candidates for the role of executive or non-executive director, when accepting their candidacy, must have carefully considered – and assured the shareholders proposing them on this matter – the time they would need to dedicate to the diligent performance of their duties.