

SNAM S.p.A.

ORDINARY SHAREHOLDERS' MEETING OF 27 APRIL 2016

ON SINGLE CALL

**Report of the Board of Directors on the proposals relating to items on the agenda of 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 2015, which show a profit of € 824,675,951.88;
- o allocate the profit of € 824,675,951.88 to the shareholders as a dividend € 0.25 per shares outstanding on the ex-dividend date, excluding treasury shares on that date, using the Share premium reserve up to the overall amount of the dividend;
- o pay out the dividend balance of € 0.25 per share, starting 25 May 2016, with an ex-dividend date of 23 May 2016 and record date of 24 May 2016.

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

Dear Shareholders,

You are invited to:

- o approve the financial statements as at 31 December 2015, which show a profit of € 824,675,951.88;
- o allocate the profit of € 824,675,951.88 to the shareholders as a dividend € 0.25 per shares outstanding on the ex-dividend date, excluding treasury shares on that date, using the Share premium reserve up to the overall amount of the dividend;
- o pay out the dividend balance of € 0.25 per share, starting 25 May 2016, with an ex-dividend date of 23 May 2016 and record date of 24 May 2016.

The Chairman of the Board of Directors

Mr. Lorenzo Bini Smaghi