

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 11

Determination of the remuneration of the Chairman and the members of the Board of Statutory Auditors

Shareholders,

pursuant to Article 2402 of the Italian Civil Code, the Shareholders' Meeting determines the annual remuneration for the Chairman of the Board of Statutory Auditors and for the Statutory Auditors, in case of it is not established by the Bylaw. They also receive reimbursement for expenses incurred in connection of their duties.

The Board of Directors stated that the current gross annual remuneration of 60,000.00 euros and 40,000.00 euros respectively for the Chairman of the Board of Statutory Auditors and for the Standing Auditors was set in a now significantly different context to that of today, and notably in 2010 when the company was still subject to the management and coordination of Eni S.p.A. and performed all of its activities in Italy.

Since 2012, following Eni's loss of control, Snam is no longer subject to the management and coordination of any company, thereby directly assuming the onus of the entire governance and organization of the company and Group. Moreover, over the last years the Company has launched important development and acquisition strategies in the European gas infrastructures market. With regard to the gross annual remuneration respectively of the Chairman of the Board of Statutory Auditors and the Standing Auditors a benchmark analysis was performed with the companies in the FTSE-MIB.

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Considering the evolution and complexity of the Company described above, and also considering the ever increasing complexity of the regulatory framework the Company and its Group operate within, the commitment required of the Statutory Auditors in performing their supervisory tasks as well as the responsibilities attributed to them have significantly increased. Finally, we recall that the issuers are invited to apply the new application criteria 8.C.3. of the Corporate Governance Code (July 2015 version), approved by the Corporate Governance Committee, which provides for “The remuneration of the statutory auditors to be commensurate with the commitment required, the importance of the role held as well as the dimensional and sectoral characteristics of the company” starting from the first renewal of the control body at the end of the 2015 financial year.

Taking what has been stated above into account, the Board of Directors proposes to fix the gross annual compensation due to the Chairman of the Board of Statutory Auditors and each Statutory Auditor, respectively, in Euro 80,000.00 and Euro 60,000.00, plus reimbursement of the expenses.

It is noted that, on 18 April 2008, the Shareholders' Meeting authorised the Board of Directors to extend the insurance policy, provided for the management to cover professional risks, to the directors and to the statutory auditors of Snam S.p.A. according to the standard terms and conditions in practice on the insurance market. This policy, which also remains in force for new members of such bodies, provides overall a limit of liability and an annual premium, respectively, of Euro 50 million and Euro 317,505.00.

Shareholders,

you are invited to approve the proposal to fix the gross annual compensation due to the Chairman of the Board of Statutory Auditors and each Statutory Auditor, respectively, in Euro 80,000.00 and Euro 60,000.00, plus reimbursement of the expenses.

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The Chairman of the Board of Directors

Mr. Lorenzo Bini Smaghi