

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 APRIL 11, 2017

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 December 31, 2016, which show a profit of € 760,925,444.83;
- o allocate the profit of € 760,925,444.83 to the shareholders:
 - as a dividend € 0.21 per shares outstanding on the ex-dividend date, excluding treasury shares on that date;
 - as retained earnings the residual amount;
- o pay out the dividend balance of € 0.21 per share, starting May 24, 2017, with an ex-dividend date of May 22, 2017 and record date of May 23, 2017.

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 December 31, 2016, which show a profit of € 760,925,444.83;
- o allocate the profit of € 760,925,444.83 to the shareholders:
 - as a dividend € 0.21 per shares outstanding on the ex-dividend date, excluding treasury shares on that date;
 - as retained earnings the residual amount;
- o pay out the dividend balance of € 0.21 per share, starting May 24, 2017, with an ex-dividend date of May 22, 2017 and record date of May 23, 2017.

The Chairman of the Board of Directors

Mr Carlo Malacarne