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Minutes of the Board of Directors
REPUBLIC OF ITALY

In the year 2016 (two thousand and sixteen)
on the 18th day (eighteen)
of the month of October
at 12:10 (ten past twelve)

In San Donato Milanese, in Piazza Santa Barbara 7.

Before me, **Carlo Marchetti**, Milan Notary and member of the Board of Notaries of Milan, appeared Mr:

- **Lorenzo Bini Smaghi**, born in Firenze on 29 November 1956, domiciled for the purpose of his office in San Donato Milanese, at piazza Santa Barbara 7, whose personal identity I, as Notary, am certain of, who in his capacity as Chairman of

"Italgas S.p.A.",

with registered offices in Milano at Via Carlo Bo no. 11, share capital 50,000.00 euros, fully paid in, tax code and Milan Business Register no. 09540420966, registered in the Economic and Administrative Register of Milan under no. 2097057 (the "**Company**"),
and as such, in its interests, asked me to record, as regards the fifth point on the agenda for the meeting of the Board of Directors convened on this day and in this place to discuss and resolve on the following:

agenda

Omissis

Bond Issues (EMTN Programme). Required and consequent resolutions

Omissis

I am complying with the request made to me and I record that the Board (having already debated the aforementioned Agenda items, which are the subject of separate Minutes) with regards to the debate on item fifth on the agenda, proceeds as follows.

Pursuant to the Bylaws, the Appearing Party takes the chair, in his aforesaid capacity, and once again notes and acknowledges that:

- the meeting has been called with a notice sent on 12 October 2016, by electronic mail to all parties entitled pursuant to article 15 of the Company Bylaws;

- in addition to the Appearing Body, the Chief Executive Officer PAOLO GALLO, the Directors NICOLA BEDIN, MAURIZIO DAINELLI, CINZIA FARISE', YUNPENG HE, PAOLO MOSA, PAOLA ANNAMARIA PETRONE, the Chairman of the Board of Statutory Auditors GIAN PIERO BALDUCCI, the Statutory Auditors GIANDOMENICO GENTA, LAURA ZANETTI and the Director BARBARA BORRA (connected in video conference pursuant to art. 15.2 of the Company's Bylaws) are present;

- Mr. MARCO REGGIANI, ANTONIO PACCIORETTI, GIANFRANCO AMOROSO and Ms. ROZEMARIA BALA are also present.

The Chairman then again declares that the meeting is properly constituted and is entitled to resolve on the fifth item on the agenda.

The Chairman moves on to debate the above and reminds those present that Art. 2410 of the Italian Civil Code grants to the administrative body, unless otherwise provided for in the Company Bylaws, power to issue non-convertible bonds. Furthermore, art. 2412 of the Italian Civil Code: (i) provides that bonds may be issued for a total sum that does not exceed double the share capital, legal reserve and available reserves as stated in the last financial statements approved, and (ii) excludes the application of said limits in case of issue of bonds destined to be listed on regulated markets or in multilateral trading systems, or of bonds that give an entitlement to purchase or subscribe shares.

The Chairman presents the proposal to **approve the EMTN Programme** and, therefore, to authorise an operation consisting of the new issue of one or more bond issues destined to be subscribed by qualified investors according to the terms and conditions and arrangements of the Programme.

The Chairman then emphasises that this operation would enable Italgas to implement a debit definition manoeuvre intended to: (i) support the development programmes of the Company; (ii) pursue an adequate balance in sources of funding between banks and securities; (iii) maintain a balanced financial structure in terms of the ratio of short and medium-long term debt and the debt maturity profile, and (iv) acquire financial resources at competitive costs.

In light of the above, the Chairman therefore proposes that the approval of the EMTN Programme be authorised, and therefore that the Board authorises one or more non-convertible bond issues, each in one or more tranches, within the period of one year from 31 October 2016, for a maximum total countervalue of the EMTN Programme of 2,800,000,000 euros. All the bonds will be placed with institutional investors operating principally in Europe, according to the terms and arrangements of the EMTN programme.

The bonds will be regulated by English law and may, but not necessarily must, be destined to be listed in one or more regulated markets.

The Chairman then summarises the characteristics of the operation:

- articulation: also in several operations, each divisible into tranches;
- subscribers: qualified investors according to the terms and conditions and arrangements of the Programme;
- duration: the duration of the single issues and *tranches* will be based on the market conditions in force at the time of issue and in any event no longer than 50 years, also including the right of the early redemption:
- issue currency: euros or other currency;
- units: a minimum of 100,000.00 euros, corresponding to the nominal value (or equivalent if in another currency);
- issue price: the issue price, which may be different for each single emission or tranche, will be set according to the overall yield offered to subscribers at the market conditions in force at the time of the

issues and in any event shall be no less than 90% and no more than 110% of the nominal value of the bonds;

- interest rate: the interest rate, which may be different for each of the single issues or tranches, shall be fixed (Fixed Rate Notes), no more than 4.5%, or variable (Floating Rate Notes), no more than the reference rate (as defined in the Programme, purely as an example, among others, the EURIBOR) increased by a margin aligned with the market conditions in force at the time of issue, it being in any event understood that the maximum margin, where applicable, shall be 2.5%;
- applicable law: English law, apart from the meetings of bondholders, which shall be regulated by Italian law and in any event in such a way as not to conflict with Italian law;
- listing: the bonds may, but must not necessarily, be listed on one or more regulated markets;
- redemption: in a single solution upon maturity or in several tranches of equal amounts, without prejudice to the issuer's right to proceed to early redemption with notice; all according to the terms and conditions contained in the bond itself;
- placement commissions: no more than 1.5% of the nominal value of the issues and in any event aligned with the market conditions in force at the time.

In reiterating that the final term for the issue of the bonds is one year from 31 October 2016, the Chairman points out how upon maturity the EMTN Programme may be renewed again, and in that case, the subsequent appropriate resolutions would again be submitted to the Board.

Lastly, the Chairman underlines that the resolution for the issue shall be deemed to be effective from the (and subject to) the effectiveness of the contribution in kind and of the demerger, as already approved by the shareholders' meeting of the Company on 4 August 2016 (as set out in the minutes of the same date reg. no. 13212/binder 6921, of Milan Notary Carlo Marchetti, registered in Milan on 4 August 2016 at no. 28804, series 1t) will come into force. Therefore, the issue respects the limits set out in article 2412 of the Italian Civil Code, since the total amount of the proposed issue does not exceed double of share capital, legal reserve and available reserves (as stated in the last financial statements approved by the Company and in the last financial statements approved by the demerged company, Snam S.p.A.) which will result upon completion of the demerger and the contribution in kind and from the pro forma of the shareholders' equity of the beneficiary company, that takes into account either the effects arising from the demerger and the contribution in kind, and the predictable reduction of the Shareholders' net assets of Italgas as a result of the management of the Company during the period between 1 June 2016 and the date on which the legal effects of the demerger will come into force, attached to the current minutes.

The Chairman of the Board of Statutory Auditors interjects to state, in the name of the whole Board of Statutory Auditors and pursuant to article 2412, subsection one, of the Italian Civil Code, that the proposed bond issue respects the limits set out in article 2412 of the Italian Civil Code for the above reasons.

Therefore, the Board of Directors:

- having noted the law on the subject of the issuance of bonds set out in articles 2410 and 2412 of the Italian Civil Code;
- having noted the bonds currently in existence;
- having heard the report of the Chairman;
- subject to the fulfilment of all obligations and the respect of all conditions prescribed in the applicable regulations, and with the commitment to report to the Board on the state of execution of the operations set out above:

unanimously resolves with validity from and (subject to) the moment in which the contribution in kind and demerger, as already approved by the shareholders' meeting of the Company on 4 August 2016 (as set out in the minutes of the same date reg. no. 13212/binder 6921, of Milan Notary Carlo Marchetti, registered in Milan on 4 August 2016 at no. 28804, series 1t) on 4 August 2016, will come into force

Firstly

1.) the approval of the *EMTN Programme*, from 31 (thirty-first) October 2016 (two thousand and sixteen) and hence to authorise the issue of one or more non-convertible bond issues, each in one or more tranches, for a maximum total countervalue of the EMTN Programme of 2,800,000,000.00 (two billion, eight hundred million point zero zero) euros, with the characteristics summarised below:

- articulation: also in several operations, each divisible into tranches;
- subscribers: qualified investors according to the terms and conditions and arrangements of the Programme;
- duration: the duration of the single issues and *tranches* will be based on the market conditions in force at the time of issue and in any event no longer than 50 (fifty) years, also including the right of the early redemption;
- issue currency: euros or other currency;
- units: a minimum of 100,000.00 (one hundred thousand point zero zero) euros, corresponding to the nominal value (or equivalent if in another currency);
- issue price: the issue price, which may be different for each single emission or tranche, will be set according to the overall yield offered to subscribers at the market conditions in force at the time of the issues and in any event no less than 90% (ninety per cent) and no more than 110% (one hundred and ten per cent) of the nominal value of the bonds;
- interest rate: the interest rate, which may be different for each of the single issues or tranches, shall be fixed (Fixed Rate Notes), no more than 4.5% (four point five per cent), or variable (Floating Rate Notes), no more than the reference rate (as defined in the Programme, purely as an example, among others, the EURIBOR) increased by a margin aligned with the market conditions in force at the time of issue, it being in any event understood that the maximum margin, where applicable, shall be 2.5% (two point five per cent);
- applicable law: English law, apart from the meetings of bondholders, which shall be regulated by Italian law and in any event in such a way as to not conflict with Italian law;

- listing: the bonds may, but must not necessarily, be listed on one or more regulated markets;
- redemption: in a single solution upon maturity or in several tranches of equal amounts, without prejudice to the issuer's right to proceed to early redemption with notice; all according to the terms and conditions contained in the bond itself;
- placement commissions: no more than 1.5% (one point five percent) of the nominal value of the issues and, in any event, aligned with the market conditions in force at the time.

Secondly

2.) to confer a mandate on the Chief Executive Officer, with the right to issue submandates, to implement the resolution described above with all the widest and most advisable powers in this regarding, including those to:

- determine, within the maximum limits resolved, the amount of the single issues or tranches, establishing, always within the resolved limits, the period to maturity, issue price, interest rate and arrangements for paying interest, and any issue variance or redemption premium;
- determine, within the limits resolved above, the conditions of the single issues or tranches in which the operation may be articulated, defining the regulations for each of them;
- proceed to place the bonds, signing all trades and agreements for this purpose, including with intermediaries and agents, also with the power to proceed to necessary operations to purchase the bonds issued, determining their conditions;
- proceed to fulfil all obligations, including information obligations, to all the competent Authorities, Italian or foreign, connected with the issue of the bond, its placement and its possible listing, also in terms of the publication of documents (including, but not limited to, fulfilling obligations connected with the definition and publication of the listing prospectus for the bonds being issued);
- in general, accomplish everything needed, useful or opportune for the success of the initiative, including completing the necessary formalities for these resolutions to be registered in the Business Register, with the right to make any changes, corrections or additions to said entries that might be advisable and/or requested by the competent Authorities, including during registration in the Business Register.

The discussion of the fifth item on the agenda having been completed, the Chairman continues the consideration of the remaining points, as minuted separately.

It is 12:30 (half-past past twelve).

I have read

this document to the Appearing Party who approves it and signs it with me.

It consists

of four sheets typed by a person I trust and completed by my own hand for eleven pages and the twelfth up until here.

Signed Lorenzo Bini Smaghi

Signed Carlo Marchetti- Notary

	Share Capital	Legal Reserve	Share premium Reserve	Other Reserves (*)	Management Loss
Incorporation	[...]				
Net losses for the period 01.06.2016 - 30.09.2016					(1)
estimated non recurring items connected with the listing net of the related tax effects					(5)
Transfer (**)	40		204		
Sale				(350)	
Demerger	961	192	416		
Total	1,001	192	620	(350)	(6)

*) The amount will be determined from the difference between the corresponding fraction of the cost of the participation (38.87%) of Snam S.p.A. in Italgas S.p.A. and the price of the sale.

(**) The total amount arising from the transfer (224 milion of Euros) is equal to the 8.23% of the cost of participation of Snam S.p.A. in Italgas Reti S.p.A.

Digital copy, true to the original hard copy, pursuant to art. 22
Legislative Decree No. 82, 7 March 2005, filed within the deadline
required by the Milan Business Register.

Signed Carlo Marchetti

In my office, 27 October 2016

Carried out pursuant to Decree 22 February 2007, by means of M.U.I.
(Single Computerized Form).