



**Italgas S.p.A.**

**ORDINARY AND EXTRAORDINARY SHAREHOLDERS'**

**MEETING OF 19 APRIL 2018**

**SINGLE CALL**

**Report by the Board of Directors on the proposals concerning the items on the agenda of the**

**Shareholders' Meeting**

**Item 3 of the ordinary session**

***“Policy on compensation pursuant to article 123-ter of Legislative Decree no. 58 of 24 February 1998.”***

Dear Shareholders,

the Compensation Report has been prepared in accordance with the provisions of Art. 123-ter of Italian Legislative Decree no. 58 of 24 February 1998 (the "Consolidated Law on Finance - TUF") and of Art. 84-*quater* of the CLF Implementing Regulation (adopted by Consob by resolution no. 11971 of 14 May 1999 as amended), introduced by Consob resolution no. 18049 of 23 December 2011.

According to subsection six of art. 123-ter of the CLF, the Shareholders' Meeting is called on to resolve, for or against, the section of the Compensation Report regarding the company's policy on the compensation of the members of the administrative bodies, the general managers and the executives with strategic responsibilities, and on the procedures used to adopt and actuate this policy (Section 1 - of the "2018 Compensation Policy" Report). The resolution is not binding.



The "Report on Compensation" document is available at the registered offices of the Company, Borsa Italiana S.p.A., and published on the Company website. This report therefore refers to that document.

Dear Shareholders,

You are invited to approve the section of the Compensation Report referred to in subsection three of article 123-*ter* of the CLF with a non-binding resolution.

Milan, 12 March 2018

The Chairman of the Board of Directors

Mr Lorenzo Bini Smaghi